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TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1900.

No. 129.

THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY OF LOUISIANA, LIMITED, ET AL., PLAINTIFFS IN ERROR,

vs.

THE STATE OF LOUISIANA.

IN ERROR TO THE SUPREME COURT OF THE STATE OF LOUISIANA.

FILED SEPTEMBER 5, 1900.

(17,505.)

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INDEX.

	Original.	Print.
Caption	*a*	1
Proceedings had in the civil district court for the parish of Orleans.	1	1
Title page	1	1
Petition and affidavit for injunction, forfeiture of charter, and appointment of receiver	2	1
Affidavit	6	4
Order for injunction	6	4
Citation to defendant and sheriff's return thereon	7	5
Rule to bond and dissolve injunction	8	5
Rule to dissolve injunction submitted	9	6
Judgment dissolving injunction	9	6
Exception of defendant	10	7
Judgment signed	11	8
Intervention of Henry L. Nick and order	12	8
Amended exception of defendant and order	13	9
Answer to intervention of H. L. Nick	14	9

JUDD & DETWEILER, PRINTERS, WASHINGTON, D. C., JULY 30, 1900.

	Original.	Print
Certificate of transfer annexed to answer to intervention of H. L. Nick	14	10
Note of evidence on behalf of defendant on trial of exception.	15	10
Testimony of Joseph Garidel	15	10
Submission of exceptions	16	11
Opinion and reasons for judgment on exceptions	16	11
Order overruling exception	40	27
Supplemental petition and order	40	27
Answer	42	28
Supplemental answer and order	48	31
Testimony and notes of evidence	50	33
Testimony of Henry Kahn for the State	52	34
Statement by Judge Rogers as to original subscribers	53	35
Testimony of H. B. Byrne for the State	54	35
Henry Gehl for the State	73	47
George Schurmann for the State	74	48
George S. Orme for the State	75	48
Gordon S. Orme (recalled)	109	69
J. P. Williams for the State	126	80
J. P. Williams (recalled) for the State	162	103
J. P. Williams (recalled) for the State	204	129
J. P. Williams for the State (resumed)	230	147
J. P. Williams, witness for the State (cross examination resumed)	300	189
Testimony and notes of evidence on behalf of the defendant.	349	218
Notes of evidence	350	219
Testimony of Gordon S. Orme for defendant	352	220
J. P. Williams (recalled) for the defendant	356	223
Edward S. Maunsell for the defendant	357	224
Gordon S. Orme (recalled) for the defendant	359	225
Exhibit P 1—Charter of the New Orleans Debenture Redemption Company of Louisiana, Limited (pamphlet)	362	226
Exhibit—Amendments to the charter of the New Orleans Debenture Redemption Company, Limited (newspaper clipping)	362	231
Exhibit—Charter of the New Orleans Debenture Redemption Company of Louisiana, Limited (pamphlet)	363	234
Exhibit—List of debentures redeemed April 10, 1898	363	238
Exhibit P 3—"How to Invest" (pamphlet)	364	238
P 4—Monthly statement of redemptions, Feb., 1898.	364	247
P 5—Monthly statement of redemptions, Jan., 1898.	365	247
P 6—Monthly statement of redemptions, April 10, 1895	366	247
P 7—Monthly statement of redemptions, November 10, 1897	367	247
P 8—Statement of monthly redemptions, January 10, 1899	368	247
P 9—Statement of monthly redemptions, January 10, 1899	368	247
P 10—List of debentures redeemed, March 10, 1898.	368	247
P 11—List of debentures redeemed, April 10, 1898	369	247
P 12—List of debentures redeemed, April 10, 1898	369	247
P 13—List of debentures redeemed, May 10, 1898	369	247

	Original.	Print
Exhibit P 14—List of debentures redeemed, June 10, 1898	370	247
P 15—List of debentures redeemed, July 10, 1898	370	247
P 16—List of debentures redeemed, August 10, 1898	370	247
P 17—List of debentures redeemed, Sept. 10, 1898	371	247
P 18—List of debentures redeemed, October 10, 1898	371	247
P 19—List of debentures redeemed, Nov. 10, 1898	371	247
P 20—List of debentures redeemed, Dec. 10, 1898	372	247
P 32—Sample copy of debenture, No. 216	372	247
P 33—Receipt attached to foregoing copy of debenture	372	250
P 33—Special notice attached to foregoing sample copy of debenture	372	250
P 34—Application 498 for debentures	373	251
P 35—Application for debentures by Thomas Ryan	373	252
P 37—Statement showing number of debentures actually in force this date (January 29, 1899), with amounts paid in by them	374	254
P 38—Statement showing monthly installments received to date (January 20, 1899), apportionment among the several funds, and present status of said funds	375	255
P 40—Abstract showing sales, redemptions, and lapses from month to month	376	257
P 41—Abstract showing sales, redemptions, and lapses from month to month	377	259
P 42—Segregation or analysis of columns or totals in statistics of lapses or surrenders	378	260
P 43—Abstract showing number of lapses that occurred each month during the continuance of this company, amount paid company by holders, age at forfeiture, together with amount paid as initiation fees and not received by company	379	261
P 44—Abstract showing number of debentures surrendered month by month, amounts paid by holders to company and to agents, and amounts paid holders of surrendered debentures	380	266
P 45—Abstract showing number of debentures redeemed from April, 1895, to January, 1899, inclusive, in detail, giving amounts paid on each and the redemption value thereof	381	270
P 46—Abstract showing number of debentures in force as of date January 29, 1899, showing in detail the months in which they were issued and number of installments paid in on each, giving amounts in detail and aggregate; also amounts paid by holders to agents as initiation fees which did not go to the company	382	273
P 47 *Bis*—Statement of assets and liabilities of the New Orleans Debenture Redemption Company of Louisiana, Limited	383	274
P 48—Blank promissory note to New Orleans Debenture Redemption Company	383	275

	Original.	Print
Table No. 1—Based on the supposition that this company issues one hundred debentures the first day of its existence and then stops the sale of debentures	384	276
Exhibit D 2—Table No. 2—Based on the supposition that the company will issue one hundred debentures the first month and continue to sell one hundred each month thereafter	414	301
D 3—Table No. 2—Abstract showing progress of the business from year to year	466	354
D 4—Abstract	467	356
D 5—Calculation showing liquidation with a lapsed ratio of 2 % but no new business	468	358
D 7—Calculation showing disposition of business now on books with mean average for past 4½ years as basis of new business, but no lapses	469	364
P 26—Check 3189, on Hibernia national bank, for $2,266.67, favor N. O. Debenture R. Co., Ltd.	470	369
P 27—Check 3517, on Louisiana national bank, for $2,250, favor Gordon S. Orme	470	370
P 28—Check No. 4408, on Whitney national bank, for $2,250, favor H. B. Byrne	470	370
P 28½—Check 459, on Hibernia national bank, for $2,266.25, favor New Orleans Debenture Company, Limited	471	371
P 29—Check 4421, on Whitney national bank, for $1,800, favor L. S. Graham	471	371
P 30—Check No. 159, on Hibernia national bank, for $2,250, favor J. P. Williams	471	372
P 31—Check No. 160, on Hibernia national bank, for $2,250, favor Dr. A. S. Waiss	471	372
Exhibit—Certificate of stock in favor of J. P. Williams	473	373
Exhibit—Installment debenture of the Middlesex Banking Company, of Middletown, Conn., filed as annexed to defendant's bill of exception	475	373
Copy of circular issued by the New Orleans Debenture Redemption Company of Louisiana, Limited, signed by F. P. Jenkins	476	377
Copy of circular signed by George A. Villere, president, and J. P. Williams, secretary, issued by defendant company	477	377
Copy of circular issued by defendant company (notice concerning first monthly payment)	479	379
Duplicate contract between New Orleans Debenture Redemption Company, Limited, and Adolph F. Waiss; appointment as general manager for Louisiana, Mississippi, and Alabama	480	380
Check No. 3189, on Hibernia national bank, favor N. O. Debenture Redemption Company, Limited, for $2,266.67	482	381
Check No. 3517, on Louisiana national bank, for $2,250, favor Geo. S. Orme	483	381
Check No. 4408, on Whitney national bank, favor H. B. Byrne, for $2,250	484	382

	Original	Print
Check of H. B. Byrne to New Orleans Debenture Redemption Company, on Hibernia national bank, for $2,266.25; No. of check, 459	484	382
Check No. 4421, on Hibernia national bank, for $1,800, favor L. S. Graham	485	383
Check No. 159, Hibernia national bank, favor J. P. Williams, for $2,250	486	383
Check No. 160, Hibernia national bank, for $2,250, favor A. S. Waiss	487	384
Copy of note of J. P. Williams, amounting to $2,250, for payment of stock subscription, and endorsement thereon	487	384
Amended and supplemental petition for injunction	488	385
Affidavit attached to foregoing petition	494	388
Order of court endorsed on foregoing petition	494	388
Judgment	495	389
Motion for new trial	496	390
New trial refused	504	394
Judgment signed	504	394
Petition for appointment of liquidator for inventory and order of court thereon	505	395
Commission by the governor of the State of Louisiana to August M. Benedict as liquidator	507	396
Oath of liquidator	508	396
Liquidator's bond	508	397
Letters to the liquidator	510	398
Motion for suspensive and devolutive appeal by Debenture Co.	511	398
Petition for suspensive and devolutive appeal and order thereon by stockholders	512	399
Bond for devolutive and suspensive appeal by Debenture Co.	516	402
Bond for devolutive and suspensive appeal by stockholders	518	402
Rule for contempt against defendant company and officers	519	404
Exception to the jurisdiction of the court on rule for contempt	520	404
Exception to jurisdiction overruled	521	405
Order: Rule for contempt continued indefinitely	522	405
Certificate of clerk attached to transcript of appeal	523	405
Agreement between counsel as to transcript of appeal	523	406
Proceedings had in the supreme court of the State of Louisiana	527	408
Motion to dismiss appeal	527	408
Motion and order to set cause for hearing	529	409
Motion and order to revoke assignment of cause for hearing	529	409
Motion and order to set cause for hearing for May 5th, 1899	529	410
Continuance	530	410
Continuance	530	411
Continuance	531	411
Continuance	531	412
Continuance	532	412
Cause submitted	533	413
Opinion of the court	533	413
Final judgment	546	423
Waiver of delays by plaintiff	547	424
Document attached to waiver	548	424
Document (letter from counsel representing defendant refusing to waive delays for rehearing, attached to foregoing letter)	548	425

	Original.	Print
Petition for rehearing by the State	549	426
Application for rehearing by defendant company	551	427
Opinion of the court	564	436
Final judgment	565	437
Opinion of the court on application for rehearing	566	438
Final judgment	567	439
Rehearing refused	568	439
Petition for writ of error	568	440
Copy of writ of error	570	441
Assignment of error	572	443
Bond for writ of error	576	446
Affidavit, acknowledgment, and justification by guarantee or surety company	577	448
Certificate of the clerk of the supreme court of the State of Louisiana	579	449
Original writ of error	580	449
Original citation	583	450
Order enlarging time to file record	585	452

UNITED STATES OF AMERICA:

Supreme Court of the State of Louisiana.

THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited; Walter H. Rogers, Joseph P. Williams, Gordon S. Orme, James B. Sinnot, Walter L. Saxon, Henry B. Byrne, Joseph L. Herwig, Gustave Kohn, John W. Moore, John W. Fairfax, Simon L. Fucich; Jacob Young, Philip J. McManus, Mrs. Regina Waiss, a *Femme Sole*; Alexander S. Waiss, Theodore D. Waiss, Jean Brody, Frank Dameron, Robert S. Moore, Nevins Kirkpatrick, George D. Feldner, W. D. Bettis, P. J. Lyons, and W. H. Rogers, President; J. P. Williams, Secretary-Treasurer, and H. B. Byrne, G. D. Feldner, J. L. Herwig, G. S. Orme, W. L. Saxon, J. B. Sinnot, R. S. Moore, and Frank Dameron, Composing the Board of Directors of said Company, Plaintiffs in Error,

vs.

THE STATE OF LOUISIANA, Defendant in Error.

No. 13116.

James F. Pierson, for plaintiffs in error.

Milton J. Cunningham, attorney general of the State of Louisiana; Frank E. Rainold and Stifft & Madison, for defendant in error.

Writ of error to the supreme court of the State of Louisiana from the Supreme Court of the United States of America, returnable at the city of Washington, D. C., the second day of October, A. D. 1899.

Transcript of Record.

1 STATE OF LOUISIANA,
Parish of Orleans, City of New Orleans.

Civil District Court for the Parish of Orleans.

Appeal from the civil district court for the parish of Orleans, division "C"—Hon. F. A. Monroe, judge.

In the Matter of THE STATE OF LOUISIANA, Appellee,

vs.

THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited, Appellant.

No. 56658.

2 *Petition and Affidavit for Injunction, Forfeiture of Charter, and Appointment of Receiver.*

Filed May 20th, 1898.

To the honorable the judges of the civil district court for the parish of Orleans:

The petition of the State of Louisiana with respect represents that on or about the 25th day of September, 1894, an act was passed

before Henry L. Garland, Jr., notary public, by which George K Pratt, P. F. Herwig, Gordon S. Orme, & others undertook to form a corporation under the title of the " New Orleans Debenture Redemption Company of Louisiana, Limited," domiciled in the parish of Orleans, a copy of which act is hereto annexed and made a part of this petition for the purpose of showing its contents; that on or about the 7 day of July, 1897, an act was passed before A. J. Villere, notary, purporting to amend said charter, a copy of which is also attached as part hereof; that the said company is not organized for any purpose for which the law authorizes the formation of corporations in this State; that said company is a debenture company formed for the sole purpose of selling or borrowing money upon its own obligations or debentures, to be paid for in monthly installments, *why* which said company binds itself to pay the holders of said debentures a profit of fifty per cent. upon the amount invested, which said company is without means or capacity to do except through the continued payment of installments by new purchasers of its debentures, whose money is used to take up older debentures, and through lapses and forfeitures on account of inability to pay monthly installments on the part of the holders of older debentures; that said entire system is not legitimate, but is vicious and unjust, and must necessarily fall within a more or less limited time; that through the active exertions of solicitors and the glowing representations of signs, advertisements, and circulars, samples of which circulars are hereto annexed as part of this petition, people are induced to invest in these debentures with the sole hope of
3 making the large profit promised before the inevitable crash comes; that the terms of the debentures are such that the holders are almost sure to lose the full amount invested, or *or* at least half thereof, if circumstances should prevent their continued payment of installments, and a very large proportion of the patrons of such companies are among the poorer classes, very liable to become unable to continue payments and ill able to bear such losses; that the whole system amounts to a gambling game and is demoralizing as such; that act 36 of 1888, under which the company claims to be organized, is not a complete and valid law, by reason of its failure to provide the mode of organization of corporations thereunder or safeguards for the protection of the public against pretended corporations exercising a State franchise, and because it only authorizes the organization of corporations for purposes not inconsistent with pre-existing laws, and the organization of all such corporations were and are prohibited by said pre-existing laws therein recognized and not repealed; that the requirement that the provisions of the laws of this State governing corporations in general be complied with in forming corporations under said act does not amount to any provision for a mode of organization, because there are no such general laws of the State; that the laws of the State providing the mode of organization of corporations of one class are no more general that the laws prescribing the mode of organization of corporations of any other class, and the requirements are practically different for each class; that if by the expressions used the legislative intent was

that the requirements prescribed by law for the organization of corporations for public improvements, etc., should be complied with, then said corporation is not organized according to law, because many of said requirements have not been complied with; that in so far as the acts which said company pretends or claims to do can lawfully — done by corporations in this State they pertain to corporations "otherwise specially provided for" and organized for insurance, banking, or homestead purpose; that said company in its mode of organization has not complied with the requirements
4 prescribed for corporations of either of said classes; that act 36 of 1888 only intended to authorize the organization of corporations for the purpose of carrying on ordinary business of the different kinds which had theretofore been carried on only by individuals and partnerships, so that liabilities incurred in carrying on such ordinary business could be limited; that the whole object of said pretended corporation is in effect gambling, tending to encourage the gambling spirit among the people, intended to take the chances of profit by the losses incurred by people thus demoralized, and is, therefore, *contra bonos mores*, against the public policy of the State, and contrary to the letter and spirit of article 172 of the constitution of 1879 and of article 188 of the constitution of 1898; that therefore the legislature did not intend to authorize the organization of such corporations, and if such was the legislative intent said act is unconstitutional and void; that under the color of said act 36 of 1888, but without any legal justification, a large number of such debenture companies have been organized in this State; that said companies carry on no business within the meaning of said act; that if their transactions can be designated as a business at all it is stock jobbing, and prohibited in terms of law; that said company has but little capital and is insolvent; that in its organization stock was issued to its promoters and organizers for the use of their names, and not for any labor done or money or property actually received, in violation of article 238 of the constitution of 1879; that its bonds or debentures have been issued in the same manner, in order that the names of reputable citizens could be published as holders thereof as an inducement to others to buy, in violation of the same article of the constitution; that while a few of said companies are claimed to be honestly conducted, it is conceded that the most of them are fraudulent and only intended as a temporary means of profit by their promoters; that the theory upon which said companies operate being vicious, all are bound to fail, the larger the business any company does the
5 more insolvent it is and the more widespread losses will be caused by its failure; that the organization of these debenture companies under the color of an act of the legislature, thus operating under a State franchise and imposing upon the public by reason thereof, even if a few such companies are honestly conducted, will work great injustice and loss — the people, and be just cause for public scandal; at present Walter H. Rogers is president and J. P. Williams is secretary and is general manager of said company, both residents of the parish of Orleans; that said company,

its officers, agents, managers, directors, and stockholders, are unlawfully exercising a corporate franchise and are acting as a corporation in this State without having been legally incorporated, and in violation of law, and will continue to do so unless enjoined therefrom; that the public interest and common justice requires that said company be enjoined from declaring forfeited or lapsed the rights of any debenture-holder who does not continue paying his monthly installments during the pendency of this suit, and also that the affairs of said company be liquidated according to law, under direction of the court, for the common benefit of all creditors and other persons interested, according to their respective rights.

Wherefore petitioner prays that the said "New Orleans Debenture Redemption Company of La., Limited," its president, secretary and general manager, its officers, agents, directors, stockholders, and members, be enjoined from acting as a corporation and from doing business under its pretended charter; that it be enjoined from declaring forfeited or lapsed any rights of its debenture or certificate holders by reason of their failure to pay installments during the pendency of this suit, for citation and for judgment maintaining and perpetuating said injunction and declaring said pretended charter null and void; that if it should be held that the organization of said company was authorized by law its said charter be forfeited, reserving the right to apply for the appointment of a liquidator under R. S. 731; that Jules E. Brulatour be appointed
6 receiver, to take charge of its effects and liquidate the affairs of said company; for all orders and decrees, interlocutory and final, which may become necessary and proper in the premises, and for general relief.

(Signed) M. J. CUNNINGHAM,
Attorney General.
" STIFFT & MADISON AND
FRANK E. RAINOLD,
Of Counsel.

Affidavit.

STATE OF LOUISIANA, }
Parish of Orleans. }

Before me, the undersigned authority, personally came and appeared M. J. Cunningham, attorney general, who, upon first being duly sworn, deposes and says that all the facts stated and allegations made in the foregoing petition are true and correct to the best of his knowledge, information, and belief.

(Signed) M. J. CUNNINGHAM.

Sworn to and subscribed before me on this 18 day of May, 1898.
[SEAL.] (Signed) PETER STIFFT, *Not. Pub.*

Order for Injunction.

The foregoing petition and affidavit being considered, it is ordered that a writ of injunction issue as prayed for.

Done, ordered, and signed at New Orleans, at chambers, on this 20th day of May, 1898.

(Signed) F. A. MONROE, *Judge.*

7 *Citation to Defendant, & Sheriff's Return Thereon.*

Offered in evidence by counsel for defendant on trial of exception.
Filed May 25th, 1898.

STATE OF LOUISIANA:

Civil District Court for the Parish of Orleans, in the City of New Orleans.

STATE OF LOUISIANA
versus
NEW ORLEANS DEBENTURE REDEMPTION COMPANY OF Louisiana, Limited. } No. 56658.

New Orleans Debenture Redemption Company of Louisiana, Ltd., through its proper officers, New Orleans:

You are hereby summoned to comply with the demand contained in the petition, of which copy accompanies this citation, or deliver your answer to the same, in the office of the clerk of the civil district court for the parish of Orleans, within ten days after the service thereof.

Witness the Honorables F. A. Monroe, N. H. Rightor, T. C. W. Ellis, Fred D. King, Geo. H. Theard, judges of the said court, this 20th day May, in the year of our Lord 1898.

(Signed) P. J. TOURNILLON, *D'y.*

Received Friday, May 20th, 1898, and on the 21st day of May, 1898, served a copy of the within citation and accompanying petition on The New Orleans Debenture Redemption Company of Louisiana, Limited, defendant herein, by personal service on W. H. Rogers, its president.

Returned same day.

Sh'ff's fees, 1.50.

(Signed) JOHN B. BOYARD, *D'y Sh'ff.*

8 *Rule to Bond & Dissolve Injunction and Entered on the Minutes of Same Date.*

Filed May 23rd, 1898.

Civil District Court, Parish of Orleans, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMpany of Louisiana, Limited. } No. 56658.

On motion of Rogers & Dodds, of counsel for The New Orleans Debenture Redemption Company of Louisiana, Limited, herein

made defendant and against whom a writ of injunction has been issued, and on suggesting to the court that prior to the decision of the issues presented these defendants are enjoined from performing any corporate acts under their charter, which is still valid and subsisting, and before any judicial decree thereon, and on suggesting that the said writ of injunction works and operates a great injury to said company, and in order that the rights of said company may be preserved until a final hearing can be had herein—

It is ordered that the said New Orleans Debenture Redemption Company of Louisiana, Limited, be authorized and empowered to release the said writ of injunction by executing and delivering to the State of Louisiana a bond, with good and solvent security, in the sum of ——, conditioned as the law directs, or that the attorney general of the State of Louisiana show cause to the contrary on Wednesday, the 25th day of May, 1898, at 11 o'clock.

Service accepted May 21st, 1898.

(Signed) M. J. CUNNINGHAM, *Att'y Gen'l.*
STIFFT & MADISON,
F. E. RAINOLD, *Att'ys.*

9 *Rule to Dissolve Injunction Submitted.*

Extract from Minutes, Division "C," Wednesday, May 25th, 1898.

Present: Honorable F. A. Monroe, judge.

STATE OF LOUISIANA
vs.
NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited. } No. 56658.

In this case, after hearing pleadings and argument of James M. Cunningham, attorney general, and of Frank E. Rainold, of counsel for plaintiff, and of Messieurs Rogers & Dodds and J. F. Pierson, for defendant, the rule to bond having been submitted, the court took the same under advisement.

Judgment Dissolving Injunction.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited. } No. 56658.

In this case, submitted for adjudication for the reasons orally assigned on this day, the court being of opinion that the injunction herein issued should not have been granted—

It is ordered that the rule of the defendant company be made absolute in so far as to order that the injunction herein issued be

dissolved and set aside, without prejudice to plaintiff's rights on the final decision of the case.

Judgment rendered May 26th, 1898.

Judgment signed June 1st, 1898.

(Signed) F. A. MONROE, *Judge.*

10 *Exception of Defendant.*

Filed May 31st, 1898.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY OF LOUISIANA, LIMITED. } No. 56658.

The defendant, "The New Orleans Debenture Redemption Company of Louisiana, Limited," in this cause appears in open court through its counsel, and by way of peremptory exception founded on law pleads:

1st. That the sovereign State of Louisiana is not rightfully or lawfully a party in or to any or all the matters or things set forth or alleged in the petition herein filed and is without interest in the subject-matter of this suit.

2nd. That the State in its sovereign capacity cannot, without express authority of law evincing her consent, be brought into court or be made a party litigant in any civil proceedings, and can be only in cause in which she is a real party and has an actual interest.

3rd. That the petition does not set forth or exhibit any cause of action in the plaintiff or right in law to the relief therein sought or prayed for.

4th. That the issues raised and the matters involved in the petition filed herein relate exclusively to purely business pursuits and avocations by and between citizens in their private character and dealings expressly sanctioned and permitted by the constitution & general laws of this State & by the said act No. 36 of 1888, which does not involve the exercise of any public franchise or function of any public nature or pertaining to any of the public or sovereign rights or powers of the State.

11 5th. That the said act No. 36 of 1888 does not include or confer the exercise of any public function or franchise by the associations therein provided for, but relates exclusively to the right to carry on any lawful business *or* enterprise (except stock jobbing) in the manner and form therein provided for without personal liability against the individual stockholders so engaged. Such exemption from liability under said act is a matter which relates to and concerns only the contractual relations and obligations by the individual stockholders with debenture-holders and creditors of the defendant company, who are the sole parties in interest, and these

cannot be adjudicated or regulated at the suit of the State or without the complaint and presence of the parties in interest.

Wherefore the defendant prays that this suit may be dismissed; that the relief sought herein may be rejected and denied, and for costs of suit and general relief.

(Signed) PIERSON, MONTGOMERY & PIERSON,
ROGERS & DODDS, *Att'ys for Defendant.*

Judgment Signed.

Extract from Minutes, Division "C," Wednesday, June 1st, 1898.

Present: Honorable F. A. Monroe, judge.

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited. } No. 56658.

The judgment in this case rendered on the 26th of May, 1898, was signed in open court on this day.

12 *Intervention of Henry L. Nick & Order.*

Filed November 2nd, 1898.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited. } No. 56658.

To the honorable the judges of the civil district court in and for the parish of Orleans, State of Louisiana:

The petition of intervention of Henry L. Kick, a resident of this parish, with respect shows—

That your intervenor is a creditor of the defendant in the full sum of one hundred and eighty-five dollars ($185.00), being the amount paid in on five debentures—Nos. 19457, 19458, 19459, 19460, 19461—and that as a creditor he desires the appointment of a receiver.

Wherefore your intervenor prays leave to file this intervention and for the same judgment prayed for in the original petition, and that a receiver be appointed herein, as provided by law.

(Signed) F. E. RAINOLD,
STIFFT & MADISON, *Att'ys.*

Order.

Let this petition of intervention be filed.
New Orleans, November 2nd, 1898.
(Signed) F. A. MONROE, *Judge.*

13 *Amended Exception & Order.*

Filed November 18th, 1898.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMpany of Louisiana. } No. 56658.

And now comes The New Orleans Debenture Redemption Company of Louisiana, Limited, defendant herein, and with leave of the court amends the exceptions heretofore filed by it in this case by adding thereto the following other grounds and exceptions, viz:

1st. That the plaintiff in this case has cumulated various separate and distinct grounds and causes of action in the petition which are contrary to, inconsistent with, and exclusive of each other.

2nd. That the proper parties have not been made or joined as defendants in this suit to defend the same or against whom any judgment can be rendered or made effective.

3rd. That the petition sets forth no interest in the plaintiff, The State, and no right to bring this suit or to stand in judgment in this case.

And adopting all the exceptions herein previously made and filed, defendant now prays, as before, that plaintiff's demands be rejected, and that this suit be dismissed, and for costs and general relief.

(Signed) PIERSON, MONTGOMERY & PIERSON,
W. H. ROGERS, *Att'ys.*

Order.

Let this amended exception be filed according to law.
New Orleans, November 18th, 1898.
(Signed) F. A. MONROE, *Judge.*

14 *Answer to Intervention of H. L. Nick.*

Filed November 28th, 1898.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMpany of Louisiana, Limited. } No. 56658.

And, for answer to the intervention of Henry L. Nick filed herein, reserving the benefit of the exceptions filed to the action by the State and without waiving the same, now comes the defendants and say that they deny that they are in any manner indebted to said

intervenor, as alleged by him, or that any demand has been made upon them for the payment of any money; and, further, that your defendants have been advised that the said Nick has no interest in the said debentures claimed by him in his said petition of intervention, and that he has transferred all his right, title, and interest in the same to —— ——, on the 4th of November, 1898, as is evidenced by the annexed copy of transfer filed with the company.

Wherefore defendants pray that the said intervention be dismissed.

(Signed) J. F. PIERSON,
W. H. ROGERS,
H. DODDS,
Att'ys for Def'ts.

Certificate of Transfer Annexed to Answer to Intervention of H. L. Nick.

Office of H. L. Nick & Co., manufacturers.

NEW ORLEANS, LA., *Nov.* 4, 1898.

I hereby transfer all my right, title, and interest to debentures Nos. 19457 to 19461, inclusive, to —— ——, and authorize the New Orleans Debenture Redemption — of La., Ltd., to pay to the said —— —— any money, check, or instrument in payment of the redemption value of the same when same are matured.

(Signed) H. L. NICK.

Note of Evidence on Trial of Exception on Behalf of Defendant.

Filed November 28th, 1898.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited. } No. 56658.

Note of evidence on behalf of defendant, taken in open court this 18th day November, 1898, before the Hon. Frank A. Monroe, presiding judge, in the above entitled and numbered cause.

Present: Hon. J. M. Cunningham, attorney general; Frank E. Rainold, Esq., Messrs. Stifft & Madison, for plaintiff; W. H. Rogers, Esq., J. F. Pierson, Esq., for defendant.

By Mr. PIERSON: Counsel for defendant offers in evidence the entire record, and especially the citation and the return of the sheriff thereon.

JOE GARIDEL, Esq., sworn, says:

By Mr. PIERSON:

Q. Is there any citation applying to this record other than the one filed in evidence?

16 By Mr. RAINOLD: We object on the ground that the record and the docket of the court is the best evidence.

By the COURT: The objection is sustained. Mr. Garidel is not the custodian of these records except during the time they are required in this division, and they are then in his charge as the minute clerk.

Submission of Exceptions.

Extract from the Minutes of Division "C," Friday, November 18, 1898.

Present: Honorable F. A. Monroe, judge.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
NEW ORLEANS DEBENTURE REDEMPTION COMPANY OF Louisiana, Limited. } No. 56658.

The exceptions in this case came up for hearing on this day.

Present: Messieurs F. E. Rainold and Peter Stifft, for pl'ffs; Messieurs J. F. Pierson and W. H. Rogers, for def't.

And after hearing pleadings, evidence, and counsel the matter was submitted upon briefs to be filed by all parties.

Opinion & Reasons for Judgment on Exceptions.

Filed January 2, 1899.

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION CO., Limited. } No. 56658.

The State of Louisiana, through the attorney general, brings this suit and prays for judgment against "the New Orleans Debenture Redemption Co., Limited," its officers and stockholders, decreeing

17 that they are exercising the corporate franchise in this State without authority of law, and that they be ousted therefrom, or, in the alternative and in the event that it be found that they are lawfully in possession of the corporate franchise, then that the charter under which they claim to act be declared forfeited for misuses and abuse. A preliminary injunction was asked for and issued, but was subsequently set aside and need not be further considered at this time. The grounds of complaint are:

1. That the purposes for which the company claims to be incorporated as disclosed by the acts purporting to be its charter and amended charter, which are annexed to and made part of the petition, and the business as actually conducted by said company involves a gambling scheme, tends to encourage a spirit of gambling, is vicious and unjust and must, sooner or later, result in the failure

of said company to fulfill its promises and obligations, to the loss and prejudice of those who are induced to deal with it, and hence that said purposes and business are *contra bonos mores*, against public policy, and in conflict with article 172 of the late and article 188 of the present constitution.

2. That act 36 of 1888, under which said company claims to have been incorporated, if constitutional and operative cannot be construed as authorizing the establishment of corporations for the carrying on of schemes such as that operated by the said company, but that said act was intended to authorize the establishment of corporations only for the purpose of carrying on ordinary business except stock jobbing, such as had previously been carried on by individuals and partnerships in order that liability incurred in such business might be limited.

3. That said act is not a complete and valid law for the reason that it fails to provide the mode of organization of corporations to be established thereunder or to provide safeguards for the protection of the public against pretended corporations; that the provision in said act to the effect that corporations established under it shall comply with the laws of the State governing corporations in general does not amount to a provision for a mode of organization, for the reason that there are no laws of the State governing corporations in general, the laws applicable to one class of corporations being no more general than those applicable to another class and being different for each class.

18

4. That in its attempted organization said company has not complied with the requirements of the law applicable to any class of corporations for which provision is made under our law.

5. That if said act be considered complete and operative, and be construed as authorizing the establishment of corporations for the purposes of business or schemes such as that conducted by said company, then that said act conflicts with the constitution of the State in so far as it prohibits gambling.

6. That in the organization of said company stock was issued to its promoters and organizers for the use of their names, and not for any labor done or money or property received, in violation of article 238 of the constitution then in force.

7. That said company has but little capital and is insolvent. The case is before the court upon exceptions filed on behalf of the company, which may be stated in the following proportions, to wit:

1. That the State is not rightfully a party to the matters set up in the petition, and is without right or interest to prosecute this suit.

2. That the proper parties have not been joined as defendants.

3. That the petition discloses no cause of action.

4. That the alleged causes of action are inconsistent and conflicting.

I.

A franchise is a special privilege conferred by government on individuals, and which does not belong to the citizens of a country generally of common right.

Bank of Augusta *vs.* Earle, 13 Pet., 519.

It is essential to the character of a franchise that it should be a grant from the sovereign authority, and in this country no franchise can be held which is not derived from a law of the State. *Ib.*

19 A franchise is a privilege or immunity of a public nature which cannot be legally exercised without legislative grant. To be a corporation is a franchise, &c.

People *vs.* Utica Ins. Co., 15 John., 387.

The right to be a corporation, then, emanates from the State, and cannot be lawfully exercised without legislative grant.

If there be no such grant, and it is attempted to exercise the corporate franchise without it, the State has the right to intervene to oust the usurpation.

If the corporate franchise be granted and accepted it becomes, in the case of a private corporation, a contract to which the State and the corporation are parties, and the rights of either under such contract may be vindicated by an appeal to the courts.

All text books and authorities concur in these propositions.

"Corporations are formed for definite objects, and their powers and duties are prescribed by law. The State confers upon them valuable franchises and exacts the performance of specific duties. They must exercise their franchises, perform their duties, and obey the commands of the law as conditions of their existence. If they fail to travel in the orbits designated by the law of their existence the State can take away the corporate life which it has created, and no one can take advantage of a breach of the conditions on which a corporation was created for the purpose of depriving it of its franchise but the sovereignty by which it was created."

Elliott on Private Corporations, 236.

"There are at common law two modes of proceeding judicially to ascertain and enforce the forfeiture of a charter for misuser or non-user, one by *scire facias*, and that process is proper when there id a legal existing body capable of acting, but which has abused its power. The other mode is by information in the nature of a *quo warranto*, which is in form criminal and in its nature a civil remedy, and that proceeding applies where there is a body corporate *de facto* only, but which takes upon itself to act, through, from some defect in its constitution, it cannot legally exercise its powers, or when an association assumes to act as a corporation without even color

20 of authority. Both of these modes of proceeding are at the instance and on behalf of the State. Private individuals, as we have seen, cannot institute proceedings unless there is some statute expressly allowing them to do so. The judgment in such

proceedings is that the parties be ousted from the exercise of corporate powers and privileges. The mode of proceeding is now very generally prescribed and regulated by statute, and in most States information in the nature of *quo warranto* is the mode in all cases.

The matter is regulated by statute in Louisiana, and the duty of prosecuting is imposed upon the attorney general, who is authorized to bring such suits upon his own information or upon the information of any private individual:

"First. When any person shall usurp, intrude into, or unlawfully hold or exercise any public office or franchise within this State."

* * * * * * *

"Third. When any association or number of persons shall act within this State as a corporation without being duly incorporated."
R. S., 2593.

R. S., sec. 131, provides that "it shall be the duty of the attorney general * * * to institute proceedings against all banking or other corporations chartered by the State and situated in the first judicial district to obtain the forfeiture of their charter in cases of violation of the same where no provision has been made by law for the forfeiture of their charters."

Act 65 of 1884 further provides "that the attorney general be, and he is hereby, authorized and empowered to institute and prosecute any and all suits he may deem necessary for the protection of the interests and rights of the State."

It seems clear, therefore, that whether the suit be brought to oust an incorporated association from the enjoyment of the corporate franchise or to forfeit the charter of a corporation, the State alone, in the absence of a special law authorizing such suit to be brought by an individual, has the interest and the right to prosecute
21 the same, and that it is the duty of the attorney general to act for her in the premises.

II.

It is said that if there be a number of persons who are making use of the corporate franchise without authority of law they must be dealt with individually, and that no suit can be maintained against any one of them without making them, individually, a party thereto. And C. C., 446, and the opinion and decree in "Workingmen's Accommodation Bank *vs.* Converse," 29 A., 370, are cited.

It is true that the article in question provides that corporations "unauthorized by law or by an act of the legislature enjoy no public character and cannot appear in a court of justice, but in the individual names of all the members who compose it, and not a political body, although these corporations may acquire and possess estates and have common interests as well as other private societies." It is clear that in the case cited it was held that the attempt to incorporate the bank having been made under provisions of law which were not applicable to such corporations, no incorporation was

effected, and that the suit which had been brought in the name of the bank should have been brought in the names and on behalf of the individuals who had associated themselves together under that title. But it is likewise true that the construction which the supreme court in that case placed upon C. C., 446, was overruled in "Homestead Co. *vs.* Linigan, 46 A., 1125," where it was held that a subscriber to stock in a corporation would not be heard, by way of defence to a suit to enforce payment of his subscription, to question the existence of the corporation, the concluding remarks in the opinion upon the subject being as follows, to wit: "In so far as relates to stockholders, however, the authority of that decision" (the bank case) "must yield to the number of decisions of the State and United States Supreme Courts."

The application of the rule, as stated in the case last cited, to stockholders is based upon the argument that by recognizing the corporate existence in their subscriptions and by participating in holding the association out to the world as legally incorporated they had estopped themselves from denying such incorporation in a suit to enforce payment of their subscriptions.

22

In this case the individuals who have associated themselves together under the name of "the New Orleans Debenture Redemption Co., Limited," are claiming to be incorporated under that name, and *on* so holding themselves out to the world, and the sole purpose of the exception which is now being considered is to maintain their right to act in a corporate capacity. Beyond this, by the notarial acts which they claim to be their charter and amended charter, they have specifically provided that they may be brought into court for any purpose connected with that for which they are associated by citation upon one of their number whom they designated as their president, and the citation has been so served in this case. Under these circumstances and for the purposes of a suit brought to test their right to act in the corporate capacity, which they have assumed and are insisting upon, I am of opinion that they should not be heard to question the authority of the agent whom they have formally designated to represent them in matters relating to the exercise of said alleged and claimed right. There is no doubt that the president, exercising the authority vested in him by the notarial acts mentioned, is actively making use of a corporate franchise for his own benefit and for the benefit of those whom he represents, and the suit will lie against him in any court, in his individual and representative capacity, and if there be other persons who think that they are not bound by the judgment which may be rendered here, upon the theory that they have not been made parties, why the courts are open to them.

It is further said that if the defendant company be regarded as a corporation *de jure* and the suit be regarded as an action to forfeit the charter, then that inasmuch as the rights of the debenture-holders will be affected by any judgment which may be rendered, they also must be made parties. The answer to this is that the State has nothing to do with the debenture-holders in this matter. If the

defendant company is using a franchise without authority of law, the State asks that it be ousted, and if said company is abus-
23 ing a franchise which it has received from the State, the State asks that the contract whereby it obtained such franchise be annulled.

III.

Upon the exception of no cause of action the learned counsel for the defence argues that the allegations of the petition to the effect that defendant's business is of a gambling character, *contra bonos mores*, and against public policy, are deductions and inferences not fortified by any facts set forth, and that whether act 36 of 1888 is complete or incomplete is rather a matter of legislative discretion than of judicial control.

The act or charter and amended charter under which defendant claims incorporation are annexed to and made part of the petition and they disclose defendant's scheme or plan of operations. The allegations of the petition are that the scheme or plan thus disclosed involves gambling, and is therefore obnoxious to the Constitution; that it is apparent upon its face that said scheme is vicious, unfair, and impracticable and must eventually break down; that its promoters will be unable to fulfill the promises which are made concerning it, and that those who are induced to participate in said scheme by investing their money are liable to loss, and that some of them must eventually lose the money so invested, and that the prosecution of such a scheme is against good morals and public policy, and that it will not be assumed that the legislature intended to establish a corporation for any such purpose.

The original charter declares that the purposes of the company are generally:

* * * "to provide a means of investment for small sums of money by the issue of debentures, purchasable by installments and payable at a fixed date, to secure the return of such investments with profit so as to assist the investors in procuring homes and other property."

It may be remarked here that the "debentures" thus referred to are merely written, unsecured promises or obligations of the company, and that the only security afforded the investor lies in the practica-
bility of the company's scheme of operation and in his ulti-
24 mate recourse against the capital stock, and that, as the company does not pretend to exercise supervision over money returned to investors, the suggestion that they are to be assisted "in procuring homes, &c.," is merely rhetorical.

Entering into details, the original charter provides that the debentures shall be each for $216.00, shall mature in six years, and shall be then paid, unless sooner redeemed in the manner to be hereafter explained. The investors are to pay $2.00 per month for each debenture issued to them, so that for each debenture which runs to maturity the holder will have paid $144 in monthly installments of $2.00 each, and upon the payment of that sum in that manner he is entitled to demand and receive from the company

$216.00, being a profit of 50 % upon the total amount invested or something over 13% compound interest per annum.

If before making seven monthly payments in advance on or before the 5th day of each month, at 3 o'clock p. m., the investor fails to make one such monthly payment, he forfeits all that has been paid and the debenture is annulled, *ipso facto*, in his hands. If he fails after having made seven monthly payments, he forfeits 50% of the amount previously paid and the debenture is annulled.

The provisions for the payment by the company of the debentures are as follows, viz:

From the total amount received in monthly installments 65% is at once applied (beginning when seven payments have been made on the first debenture issued) to the payment of debentures in the numerical order of their issuances, such debentures—*i. e.*, those upon which seven monthly payments amount to $14.00 have been made—to be redeemed by payment of $21.00, and where the debentures have run for a longer period and more than seven payments have been made the obligation of the company increases in the same ratio, the agreement being that the company will pay $3.00 for each $2.00 paid in by the investor.

From the balance of the fund resulting from the receipt of monthly installments, after the appropriation of the 65 %, as thus explained, the company deducts 10% (of the whole fund) for its expenses, not including the commissions of its agents, and the remaining 25% of said fund, after the deduction therefrom of the commissions in question, is to be held as a reserve for the ultimate redemption of debentures not paid from the 65%.

It will thus be seen that the company promises absolutely to pay to the investor who continues to make his monthly payments, whether at the end of six years or earlier, as the 65% fund may or may not enable it to reach his debenture, a profit of 50% on the money invested by him. If the payment is made at the end of six years he will thus get over 16% simple and over 13% compound interest per annum. If the payment is made when he pays his seventh installment he gets, as in the other case, 50% on the money invested, but gets it in six months from the payment of the first installment, so that the interest is at the rate of 200% simple interest per annum, since the average time for which his $14 00 is invested is three months.

It will also be seen from this that the scheme of the company contemplates no other provision for the payment of debentures issued by it in principal and interest than the fund resulting from the payments made into its coffers by the debenture-holders themselves after deducting therefrom the amount necessary to pay the commissions of the company's agents, solicitors, &c., and 10% to defray the company's other expenses, the amount deducted to pay commissions being left to the discretion of the company. Since the business depends largely upon the energy of the solicitors employed, ten per cent. would probably be rather an under than an over estimate of the commission allowed them, which would leave 15% of the receipts to the reserve fund, and this added to the 65% before

mentioned would make 80% of the receipts which are devoted to the payment of debentures in principal and interest, so that the company operates upon a basis which requires that receiving $100 it must at once pay out $65.00 to some previous investor, it must pay out $20.00 in commissions and expenses, and by the investment of the remaining $15.00 earn enough to enable it, with the aid of $65.00 to be received from a subsequent investor, to return the $100.00, with a profit of 50%, making $150.00, within a
26 period of time which gives to the investor interest upon his money varying from 16⅔% to 200% per annum, or, to put it in another way, for every $100.00 received the company, in six years or less, is to pay $150.00, and the difference between $80.00 and the $150.00 to be paid is to be earned by the investment or use of $15.00.

Examining further into the operation of this scheme, let us suppose that the company begins business on Jan'y 1, '98, by issuing one thousand debentures, and that it issues a like number of debentures upon each of the succeeding five months, so that by the 1st of July it has out 6,000 debentures, upon the first 1,000 of which the seventh payment is made upon that day (July 1). Let us further suppose that, having thus done a prosperous business, it concludes and undertakes to liquidate its affairs, taking no new business, but simply carrying out the contracts and complying with the obligations already made and assumed, it being understood that it is not within the contemplation of the charter that the subscribed capital or the interest thereon shall be used in redeeming debentures, unless it should turn out that the money paid in by the holders themselves is insufficient for that purpose.

The liquidation would then proceed as follows, to wit:

July 1, '98.

Outstanding debentures, issued				Jan'y	1,	1,000,	calling for			$21,000
"	"	"		Feb'y	1,	1,000,	"	"		18,000
"	"	"		M'ch	1,	1,000,	"	"		15,000
"	"	"		April	1,	1,000,	"	"		12,000
"	"	"		May	1,	1,000,	"	"		9,000
"	"	"		June	1,	1,000,	"	"		6,000
Totals						6,000				$81,000
The company has rec'd on January debentures						7	payments, amounting to			$14,000
"	"	"	"	Feb'y	"	6	"	"	"	12,000
"	"	"	"	M'ch	"	5	"	"	"	10,000
"	"	"	"	April	"	4	"	"	"	8,000
"	"	"	"	May	"	3	"	"	"	6,000
"	"	"	"	June	"	2	"	"	"	4,000
Total am't rec'd										$54,000

27 Sixty-five per cent. of the $54,000 so rec'd is to be devoted at once to the redemption of debentures upon which seven monthly payments have been made; 10% of said amount is to be used in paying the expenses of the company; 10% in paying commissions to solicitors and agents, and the remaining 15% is to be carried to the reserve fund. The 10% allowed for expenses and the 10% allowed for commissions are presumably already consumed, so

that the company has on hand ($54,000 — 10,800 =) $43,200—of which $35,100 (being 65% of the whole amount) is to be used for the redemption of matured debentures, or rather of debentures upon which seven payments have been made, and the remaining $8,100 goes to the reserve fund. There are, however, but 1,000 debentures—*i. e.*, those issued Jan'y 1—upon which seven payments have been made, so that after redeeming them by payment of the $21,000 called for by them, there is still left to the credit of what may be termed the "65% fund" a balance of $14,100.

Let us suppose, now, the company taking no new business, but merely liquidating its affairs by collecting the monthly installments upon outstanding debentures, and with the fund thus created undertaking to redeem these debentures according to contract, that its expenses and commissions are reduced from 30% of the receipts to 5% (and this certainly will be regarded as a low figure), the situation, from month to month, upon the payment by the holders of the installments due upon their debentures, will be as follows, to wit:

August, 1898.

Outstanding debentures....	1,000	Feb'y, at	$21	each...	$21,000
....	1,000	M'ch, "	18	...	18,000
....	1,000	April, "	15	...	15,000
....	1,000	May, "	12	...	12,000
....	1,000	June, "	9	...	9,000
Totals.	5,000	... .			$75,000
Balance on hand "65 % fund"...	$14,100	Reserve.....			$8,100
Collection Aug. 1, $10,000, of which 65% goes to that fund	6,500				
30% to the reserve.....	.....	....			3,000
	$20,600	.....			$11,100

28 The remaining 5 % of the receipts are consumed in the expenses of liquidation, and need not figure in these calculations.

The $20,600 to the credit of the "65 % fund" will pay 980 of the February debentures, leaving a balance to the credit of the fund of $20.00, with 4,020 outstanding debentures.

September, 1898.

Outstanding debentures....	20	Feb'y, at	$24.... ..		480
....	1,000	M'ch, at	21.....		21,000
....	1,000	Ap'l, at	18.....		18,000
....	1,000	May, at	15.....		15,000
....	1,000	June, at	12.....		12,000
Totals	4,020	.....			$66,480

Balance on hand "65 % fund"	20	Reserve	11,100
Collection Sep. 1, $8,040, of which 65 % goes to that fund	5,226		
30 % to the reserve			2,412
	$5,246		$13,512

The $5,246 to the credit of the "65 % fund" will pay the remaining 20 Feb'y debentures and $226 March debentures, leaving a bal. of $20 and 3,774 outstanding debentures.

October, 1898.

Outstanding debentures	774	March, at $24	$18,576
	1,000	Ap'l, at 21	21,000
	1,000	May, at 18	18,000
	1,000	June, at 15	15,000
Total	3,774		$72,000
Balances on hand "65 % fund"	$20	Reserve	$13,512
Collections Oct. 1, $7,548, of which 65 % goes to that fund	4,686.20		
30 % to the reserve			2,264.40
	$4,706.20		$15,776.40

The $4,706.20 to the credit of the "65 % fund" will pay 196 March debentures, and leave a balance of $2.20 and 3,578 outstanding debentures.

November, 1898.

Outstanding debentures	578	March, at $27	15,606
	1,000	April, at 24	24,000
	1,000	May, at 21	21,000
29	1,000	June, at 18	18,000
Total	3,578		$78,606
Balance on hand "65 % fund"	2.20	Reserve	$15,776.40
Collections Nov. 1, $7,156, of which 65 % goes to that fund	4,651.40		
30 % to the reserve			2,146.80
	$4,653.60		$17,923.20

The $4,653.60 to the credit of the "65 % fund" will pay 172 March debentures, and leave a balance of $9.60 and 3,406 outstanding debentures.

December, 1898.

Outstanding debentures..	406	March, at $30...	12,180
	1,000	Ap'l, at 27...	27,000
	1,000	May, at 24...	24,000
	1,000	June, at 21...	21,000
Total	3,406	.....	$84,180
Balances on hand "65 % fund".....	$9.60	Reserve...	$17,923.30
Collections Dec. 1, $6,812, of which 65 % goes to that fund.....	4,427.80		
30 % to the reserve.....	... .	....	2,043.60
	$4,437.40	....	$19,966.90

The $4,437.40 to the credit of the "65 % fund" will pay 147 March debentures, and leave a balance of $27.40 and 3,259 outstanding debentures.

January, 1899.

Outstanding debentures..	259	March, at $33...	8,547
	1,000	Ap'l, at 30...	30,000
	1,000	May, at 27...	27,000
	1,000	June, at 24...	24,000
Total	3,259	....	$89,547
Balances "65 % fund"...	27.40	Reserve...	$19,966.90
Collections Jan'y 1, $6,518, of which 65 % goes to that fund.....	4,236.70		
30 % to the reserve.....	.....	.. ..	1,955.40
	$4,264.10	... .	$21,922.30

The $4,264.10 will pay 129 March debentures, and leave a balance of $7.10 and 3,130 outstanding debentures.

30 The company then, having issued its first debenture, as has been assumed for the purposes of illustration, upon Jan'y 1, '98, and having done an exceptionally prosperous business for the six months following, and having then, without reverses or losses of any kind, entered upon a liquidation in strict accordance with its plan of operations as set serth in its charter, find itself at the end of six months in the following position, to wit, leaving out, for the moment, the interest which may have been earned upon balances in its hands, it owes:

3,130 outstanding debentures, which call for $94,680.00, being an increase of $19,680 over the amount which it owed upon 5,000 outstanding debentures at the beginning of the liquidation.

Upon the other hand, after receipt of the installments due July 1, '98, the company had $35,100 to the credit of the "65 % fund" and $8,100 to the credit of the reserve, or a total of $43,200 available for the redemption of debentures; whereas at this time there
31 is $7.10 to the credit of the "65 % fund" and $21,922.30 to the credit of the reserve, so that with an increase of liability amounting to $19,680.00 there is a decrease in visible assets available for paying the same, amounting to $21,270.60. and unless the company's scheme is a failure it must have earned in the way of interest upon the balances in its hands enough to pay the difference between $94,680, its present debt, and $21,929.40, which represents the aggregate of its cash on hand.

An examination of the figures already given will show that in the hypothetical case stated the company would have received, during the first six months prior to July 1, 1898, a total of $42,000, of which $8,200 would have been consumed in expenses and commissions, leaving it the use for investment of sum amounting to an average of $16,600 for the six months; that during the remaining six months the average amount subject to investment would have been $16,763, and that the average amount subject to investment for the whole year would have been $16,681, and upon this amount, in order to pay its debts, after six months of liquidation following six months of prosperity, having met with no losses or reverses, the company must have earned in the way of interest, in one year, $72,750.60.

It would extend this opinion beyond reasonable limits to embody in it the simple but tedious calcula*la*tions showing the results of a liquidation upon the basis indicated at the end of the six years required to mature the last issued of the debentures which I have supposed, for the purposes of illustration, to have been issued during the first six months of the company's existence, but (subject to minor errors of calculation which may probably exist) I find that the situation after the payment of the installments due upon
32 debentures outstanding May 1st, 1904, would be about as follows, to wit:

May, 1904.

Outstanding debentures:		
306 issued May 1, '98, calling for $219 each...		$67,014
1,000 issued June 1, '98, calling for $216 each...		216,000
Total, 1,306 debentures unpaid, calling for.....		$283,014.00
		$283,014.00
As against which the company would have—		
To the credit of the 65 % fund.....	$48.70	
To the credit of the reserve fund.....	$91,219.10	
		91,267.80
Excess of liabilities over apparent assets.....		$191,746.20

To meet this liability the company must have earned the amount stated in the way of interest upon the balances in its hands during the six years, and those balances averaged approximately as follows, to wit:

For the year 1899, 29,600.
For the year 1900, 46,600.
For the year 1901, 60,300.
For the year 1902, 72,000.
For the year 1903, 82,600.
For the year 1904 (six months), 90,000.

The average amount of which the company had the use during the entire six years being in the neighborhood of $63,516. The amount to have been earned, $191,746.20, is about 300 % on the amount subject to investment and would have required interest to be earned at the rate of 50 % per annum. Any reasonable or moderate rate of interest would have required the company to pay out its entire subscribed capital and would still have left it heavily in debt to its debenture-holders, with no means of paying. Upon the assumption, then, that the company and those who deal with
33 it mutually comply with their obligations in accordance with the conditions of the original charter, inevitable disaster must sooner or later overtake all concerned, and the larger the business and the longer it is continued the greater the eventual loss.

Counsel representing the State contend that the company relies upon forfeitures to make good the deficit which must result from its ordinary operations; but this was denied in the argument by the counsel representing the company, and might therefore be left out of the discussion. As the counsel for the company has, however, submitted a brief in which something is said about "tontines," to which the scheme of the defendant is compared, that aspect for the case will be briefly considered.

A "tontine" is a scheme whereby a fixed number of persons advance, each, a certain sum of money to make a common fund with the agreement that so long as they all live they shall share equally in the revenues resulting therefrom, and that the interest of each, as he may die, shall descend to the survivors, so that the last survivor acquires the whole fund. As used for governmental purposes the last survivor acquired the whole revenue, but upon his death it lapsed to the estate which held the fund: as applied to life insurance the subscribers or members of the tontine agree that the dividends shall accumulate and the last survivor is the beneficiary.

It is evident that in such a scheme the subscriber who comply-s with the conditions of the contract will get what he contracts for, subject to a risk which he assumes intelligently and which is personal to himself—*i. e.*, that he may die before his fellow-subscribers, in which event, in the ordinary tontine, though not in life insur-
34 ance, he gets nothing. This element of uncertainty has, however, stamped the tontine as a gambling scheme, and it has been long since generally done away with by the governments of Europe. The Encyclopædia Brittannica says of it, among other

things: "The speculative element in the system has proved an attraction. The investor stakes his money on the chance of his own life or the life of his nominee enduring for a longer period than the other lives involved in the speculation, in which case he expects to win a large prize. The only thing which will serve to distinguish this from an ordinary lottery is the assumption that some may apply greater care or skill in the selection of lives than others of the players."

In any event it bears but slight resemblance to the debenture scheme in which 80 % of the money of the subscriber is immediately used to pay the expenses of the company and to pay the debentures of other subscribers, and he must depend for the return, in principal and interest, of the amount invested by him, 1, upon the 20 % (or less) of that amount, which the company reserved; 2, upon money to be paid in by new subscribers; 3, upon money paid in by subscribers and then forfeited by reason of carelessness or inability to continue the payments. We have seen that the amount reserved is insufficient for the purpose under the most favorable circumstances—*i. e.*, when the company begins operations, does a prosperous (or flourishing) business for six months, and then undertakes to liquidate in accordance with its own original proposition.

The subscriber is then left to the chance that other investors may forfeit the money paid by them, and that new subscribers may be found at the time at which the debentures mature, and that with the amount forfeited, upon the one hand, and paid in, on the other, there may be sufficient money to redeem his debentures.

This is a mere wager that he will win through the folly, credulity, and misfortune of his fellow-subscribers.

The State alleges that the scheme must break down by an observance of its own conditions, and that even this speculation or gambling element will not save it. The learned counsel for the defendant agrees that this allegation is merely the statement of an inference or deduction, not justified by any facts set forth in the petition. The examination which has been made of the operations of defendant's scheme, as disclosed by the charter, which is annexed to and made part of the petition, leads to the conclusion that the plaintiff is entitled at least to a trial on the merits, unless it appears that there is some law under which the defendant is entitled to enjoy corporate existence, and, as a corporation, prosecute that scheme.

The defendant company claims to be incorporated under act 36 of 1888, which provides:

"That it shall be lawful for any number of persons, not less than three, upon complying with the provisions of the laws of this State governing corporations in general, to form themselves into and constitute a corporation for the purpose of carrying on any lawful business, not otherwise specially provided for, and not inconsistent with the constitution and laws of this State: Provided that no such

corporation shall engage in stock-jobbing business of any kind, &c."

36 It is said on behalf of the State that this statute is void for uncertainty in that the provision to the effect that persons may organize under it "upon complying with the provisions of the laws of this State governing corporations in general" has no specific application, inasmuch as there are different laws governing the organization of different classes of corporations and none governing the organization of corporations generally.

I am unable to concur in this view. It is the duty of the court to give effect to laws adopted by the law-making department of the Government in the exercise of its constitutional authority whenever it is possible by a reasonable interpretation of the language used to do so.

It is true that there is no one statute which provides for the establishment of all corporations in this State. A certain method is provided for the establishment of literary, scientific, charitable, and religious corporations. Another method is provided for the establishment of banks, and there are, perhaps, one or two other classes of corporations for the establishment of which especial provision is made, but these, I think, for the purposes of the interpretation to be placed on act 36 of 1888, may be regarded as exceptions to a rule — at least comparatively general application which is laid down in the law governing the organization of corporations "for works of public improvement and for other purposes," which reads (in part):

"It shall be lawful for any number of persons, not less than six, on compliance with the provisions following to form themselves into and constitute a corporation for the following purposes,

37 to wit:" And then follows an enumeration of by far the greater number of persons for which corporations are usually established, with the conclusion: "and generally all works of public utility and advantage. No corporation shall engage in mercantile or in commission brokerage, stock jobbing, exchange or banking business of any kind."

This statute is certainly of very general application, and I have no doubt that it was within contemplation of the legislature in the adoption of act 36 of 1888. In "Workingmen's Accommodation Bank *vs.* Converse," 29 Ann., 370, the supreme court of the State refers to the law in question in the following terms, speaking of the organization which was before it claiming corporate existence: "If it derives its existence from the general incorporation act, then it is without the power to engage in banking business," &c. It is not, therefore, altogether surprising that similar language should have been used by the law-makers.

The question then remains: Does the act in question authorize the establishment of corporations such as the defendant company?

By its terms it authorizes the establishment of corporations for the purpose of carrying on any lawful business or enterprise not otherwise specially provided for and not inconsistent with the constitution and laws of this State.

Can the business for which the defendant company was estab-

lished be regarded as a "lawful business or enterprise" within the meaning of this law.

I am of opinion that this question must be answered in the negative. If it be true, as alleged in the petition, that ignorant and credulous people are induced to put their money into the
38 hands of the company upon the faith of representation made by the company and its agents that such money will be returned with enormous profits, and if it be true that the company is without the means and is without even the reasonable expectation of fulfilling its obligations in the premises, then to hold that its establishment is authorized by act 36 of 1888 would be to hold that that act intends to authorize the establishment of corporations for obtaining money, if not under false pretenses, at least by inducing people to believe in an impossibility, or otherwise to take their chances in a lottery of credulity, carelessness, and misfortune.

The theory upon which private corporations are established and upon which the granting and acceptance of a charter creates a contract between the State and the grantees is that the establishment of such corporations will inure to the benefit of the public, and in order that this general purpose which the State is presumed to have in view may not be defeated by the establishment under laws of general application of corporations, the purpose of which will not conduce to the public good, it is required in the case of so-called literary, scientific, charitable, and religious corporations that their charters shall be submitted to and approved by a State officer; and in the case of corporations for works of public improvement, the purpose for which they may be established is specifically enumerated, and beyond that the statute authorizes only such corporations as may be established "for works of public utility and advantage." Act 36 of 1888 limits the right to establish corporations under its provisions to such as may be organized for some "lawful business or enterprise not otherwise provided for, and not inconsistent with the constitution and laws of this State;" but I do not understand by
39 this language that the power which rests in the courts to determine, in the case of a corporation not within the enumeration of those specially authorized, whether it is of "public utility and advantage," has been taken away, and as the petition in this case alleges that the defendant corporation is established for a purpose prejudicial to the public interest, I think the plaintiff is entitled to be heard.

It is alleged that defendant has not complied with many provisions of law regulating the establishment of corporations, and that stock was issued without the receipt of money or labor or value, but these averments appear not to have been relied on in the argument of the exception, and, I apprehend, should be made more specific if intended to be urged hereafter.

In conclusion it is proper to remark that whilst the defendant's original charter — specifically for the issuance of debentures for $216 each, to mature in six years, or upon payment of seventy-two consecutive monthly installments of $2.00 each, if not sooner redeemed, the amended charter authorizes greater latitude, and under it the

company may make contracts of a different character. In the course of the argument of the exception now under consideration, however, both orally and by brief, it seems to have been accepted as a fact that the actual operations of the company are conducted upon the scheme of the original charter. Whether this is true or not is a matter which will be enquired into upon the merits of the case. The exception filed should, however, be overruled.

40 *Order Overruling Exception.*

Extract from Minutes, Division "C," Monday, January 2nd, 1899.

Present: Honorable F. A. Monroe, judge.

Civil District Court, Parish of Orleans, Division "C."

STATE OF LOUISIANA
versus
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limit-d. } No. 56658.

For the reasons assigned in the written opinion of the court on this day delivered and filed—

It is ordered that the exceptions herein filed by the defendant company be overruled at its costs.

Supplemental Petition and Order.

Filed January 3rd, 1899.

Civil District Court for the Parish of Orleans, Division "C."

STATE OF LOUISIANA
versus
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited. } No. 56658.

To the honorable the civil district court for the parish of Orleans:

The supplemental and amended petition of the State of Louisiana, herein represented by M. J. Cunningham, attorney general, with respect shows:

41 That the plaintiff, in obedience to the suggestion made by the court in its opinion rendered upon the exceptions herein that the allegations in regard to issuance of stock is insufficient, *it* desires to amplify the allegations in the original petition to the effect that the defendant company has issued stock without its being fully paid for.

That petitioner verily believes, and so avers, that the defendant company has issued shares of stock of the face value of fifty thousand dollars ($50,000.00), being five hundred *dollars* ($500*00*) shares of the fac*t* value of one hundred dollars ($100.00) each.

That the subscribers to this stock have paid but five per cent. (5%) of the par value of said stock to the company; that the sub-

scribers or their assigns then gave their promissory notes to the company for ninety-five per cent. (95%) of their subscriptions, and the company then loaned to the subscribers or their assigns the amount of their said promissory notes from the reserve fund of the company, the said reserve fund being part of the monies derived from debenture.

That thereupon the subscribers of their assigns did give said money taken from the reserve fund to the company, and thereupon the shares of stock were issued to them as fully paid.

That thereafter the defendant company did declare dividends, which they paid out of the expense fund of the company, which is a fund made up of ten per cent. of the gross receipts from debentures, but the amount of said dividends is unknown to petitioner.

That said dividends were credited upon said notes of the stockholders, and thus it is pretended that the notes have been partly, if not entirely, compensated and cancelled.

42 And now your petitioner avers that in law and in fact this did not constitute a payment of the stock subscribed for by the stockholders, but is, if not a direct, an indirect violation of the prohibition of the constitution of this State in regard to the issuance of stock by corporation-, and constitutes a fictutious issue of stock within the meaning of article 238 of the constitution of 1879, which is article 266 of the new constitution of the State.

Wherefore petitioner prays leave to file this amended and supplemental petition, and for the same judgment originally prayed for herein.

(Signed) M. J. CUNNINGHAM,
Attorney General.

(Signed) FRANK E. RAINOLD &
STIFFT & MADISON, *Of Counsel.*

Order.

Let this amended and supplemental petition be filed.
New Orleans, January 3rd, 1899.

(Signed) F. A. MONROE, *Judge.*

Answer.

Filed January 16th, 1899.

Civil District Court for the Parish of Orleans, Division "C."

STATE OF LOUISIANA
versus
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited. } No. 56658.

43 The New Orleans Debenture Redemption Company of Louisiana, Limited, a corporation duly organized under the laws of this State, defendant in this cause, specially reserving all and not waiving any of the exceptions heretofore filed and over-

ruled by the court, for exception to the amendment and supplemental to the original petition herein filed by the plaintiff, says:

That by the said amendment and supplement the said plaintiff undertook to amplify the allegations of the original petition, and to particularly specify and establish that this defendant has issued its capital stock without being ful-y paid therefor, and the facts stated and allegations made in said amendment and supplemental petition do not establish or warrant the conclusion that the defendant has ever issued its capital stock or any of it without full payment therefor, and that the said plaintiff, under its original and supplemental petition, has set forth no cause of action or right to proceed against this defendant on said ground.

And now, fully reserving the benefit of this exception, without waiving the same, and in the event the same should be overruled, this defendant, for return and answer to the said plaintiff's petition, says:

That it expressly and specifically denies each and every fact stated and allegation made in the said petition, except only those which are herein expressly admitted.

This defendant expressly avers that it is a duly and legally constituted private corporation, organized in comformity with the laws of this State, and expressly authorized by said laws, especially by the act of the General Assembly of this State No. 36 of the year 1888, for the pursuit by it of the private enterprise and pur-
44 pose set forth in its charter, a copy of which was annexed by the plaintiff to the said petition herein; that it was so created and constituted by the act passed before Henry L. Garland, notary public, on the 25th day of September, 1894, by the twenty persons, stock subscribers, by whom the said contract and agreement was made and executed, to create and constitute this defendant an active and duly organized —; that said persons and stock subscribers entered into the said contract and agreement under advice of competent counsel for that purpose without any intention to harm, injure, or defraud any one, either by themselves or through the instrumentality of this defendant corporation, but with the *bona fide* purpose in an honest and honorable way to conduct and pursue the business, occupation, and purposes in corporate form under the laws and statutes of this State providing therefor set forth in said act.

That said persons were and are reputable and responsible men, residents of this city and State, who by said act became severally subscribers separately to the twenty-five shares, amounting in all to the five hundred shares, representing fifty thousand dollars, of the capital stock of this defendant corporation, and which they and every of them or their assigns subsequently and after the due organization of this defendant corporation and the motion of its proper officers in good faith paid for to this defendant; that in the issue and delivery of said capital stock it acted in conformity with its charter in good faith and upon full payment for said capital stock, and it believes and avers that said stock subscribers acted on their part in like manner.

Further the defendant avers that on the twenty-fourth day of September, 1894, it was formally and duly organized, its
45 proper officers, agents, and employees selected, authorized, and installed as an active corporation under the said notarial act and charter of September 25th, 1894, and it has since been in the active and public pursuit of its business, its objects, and purposes not only with the citizens of this city and State, but also with citizens of other States of the Union and others, and in the sale and redemption of its debentures, certificates, and obligations in accordance with the plan and enterprise provided for in its charter, with its domicile and public office in this city.

That it has pursued said business in good faith, in a public and honorable way in all its dealings, without any purpose or intention to harm, injure, or defraud any one or any of its customers, patrons, or debenture-holders in any way; that it has never failed or defaulted in any of its contracts or obligations, but has at all times since its organization promptly met and complied with its every obligation without complaint by any person or obligee; that it is now fully able to meet and promptly to fulfill every outstanding obligation and liability whatever against it, as well as every trust and confidence reposed in it by its patrons, customers, or debenture-holders.

It admits that its original charter has been duly amended and avers that since the adoption of said amendment it has been acting under and pursuant to its said charter as so amended.

That at the time of the institution of this suit it was so actively engaged in the conduct and pursuit of its avocations, and at the time had outstanding numerous contracts with numerous
46 different customers, patrons, and debenture-holders, involving numerous and important trusts, involving in the aggregate large sums and amounts, regulated by the specific contracts made and existing between it and its customers and dealers, which are and were legal, valid, and binding between the contractants, and which neither the plaintiff in this case nor this defendant can by law in this suit or proceeding alter, amend, or in any manner divert the same or any of them, as between said parties thereto.

That the said contractants have made no complaint to this defendant or expressed any dissatisfaction with any contract made with it, but, to the contrary, this defendant believes from all information it has been able to obtain, and therefore avers, that all its debenture-holders in their own interest desire that the contract between it and them should in every case be mutually complied with and fulfilled by the parties, and the only fear of any failure by any party to so comply and fulfill the same of which this defendant has any knowledge is that set forth by the plaintiff in the original petition in this case.

Further answering, this defendant expressly denies that in any contract or dealing by it there is included any semblance of gambling transaction or wager of any kind; that this defendant ever entered into any contract, dealing, or transaction including any element of chance not inherent in other ordinary or non-gambling

contracts; that the business, purpose, or pursuit which it is engaged in is in any correct sense or intendment a gambling game or scheme or that the same is vicious or immoral; that the contracts which it makes in the pursuit of its objects and purposes in their legal aspect and character do not differ from those ordinarily made in
47 other lawful pursuits.

Further answering, this defendant avers that it is a duly and legally constituted corporation, authorized by the laws and statutes of this State, organized in good faith by its stock subscribers for the *bona fide* pursuit in a lawful way of the legitimate business provided in its charter and amended charter, which was and is lawful business, avocation, and enterprise, and one neither denounced by the laws or statutes of this State nor inherently immoral, visious, or *contra bonos mores*, to be conducted and pursued by it under the plan and in the manner provided for in a *bona fide* way without injury or fraud to any or the intent to do so, and that in the pursuit thereof it has at all time- and in all times and in all transactions dealt in good faith and fairly with all persons and has at all times promptly kept all its contracts and agreements and fulfilled all its obligations in every particular; that it is now still doing so and fully able to do so.

That in all its dealings and transactions it has not intentionally or knowingly or otherwise violated any law of this State or provision of its charter or amended charter — has it ever intentionally or knowingly incurred the forfeiture of its charter.

Therefore the defendant prays that the plaintiff's suit be dismissed; that its demand be rejected, and for all costs of suit and general relief.

(Signed) PIERSON, MONTGOMERY & PIERSON &
W. H. ROGERS, *Attorneys for Defendant.*

48 *Supplemental Answer & Order.*

Filed January 31st, 1899.

Civil District Court for the Parish of Orleans, Division "C."

STATE OF LOUISIANA
versus
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited. } No. 56658.

And now into court come the defendant, The New Orleans Debenture Redemption Company of Louisiana, Limited, and, adopting all and singular the pleas and averments in its original answer contained in this suit, by and with the leave of the court first had, *and* amends the said original answer herein filed in the following, namely:

It avers that the stock subscribers and incorporators by whom the original charter for this company and by which it was created and constituted a corporation was agreed to and adopted were expressly and specially authorized thereto by the laws and statutes

of the State, and especially by the act No. 36 of 1888 of the General Assembly thereof.

That the business, calling, and avocation for pursuit of which it was so created and constituted a corporation is a lawful business or enterprise, open to pursuit in any lawful way by any person or citizen; that said business is not an immoral one or one *contra bonos mores* nor one prohibited or denounced by law either of this State or of the Federal Government, but same is a legal and lawful business, recognized by the plaintiff, The State of Louisiana, in the act No. — of the General Assembly thereof of 1898, and as such is licensed by the State.

49 That the purpose of this suit is to deprive the defendant, a duly and legally organized corporation under the laws of this State, of the legal right to engage in or pursue the same in any manner; that this suit as instituted and now prosecuted is for a purpose and has for its object one which is in violation of the constitution of this State and of the Constitution and laws of the United States, in that it deprives the defendant of its property without due process of law and denies to this defendant the equal protection of the laws of the State of Louisiana and *and* of the United States, and that said object and purpose is in contravention of the constitution of the State of Louisiana and of the Constitution and amendments thereto and the laws of the United States, in that said object and purpose is intended to deprive this defendant of its lawful right to pursue a lawful business, calling, or avocation, and said object and purpose is an unlawful discrimination against this defendant corporation and a denial to it of the equal protection of the law in the pursuit of its business.

Wherefore defendant prays that the plaintiff's suit be dismissed; that its demands in this suit be rejected, and for all costs of this suit and for general relief.

(Signed) W. H. ROGERS AND
PIERSON, MONTGOMERY AND
PIERSON, *Attorneys.*

"*Order.*"

Let this amended answer be filed.
New Orleans, January 31st, 1899.
(Signed) F. A. MONROE, *Judge.*

50 "STATE OF LOUISIANA:"

Civil District Court for the Parish of Orleans.

Civil District Court, Parish of Orleans, Division "C."

STATE OF LOUISIANA
versus
NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited. } No. 56658.

Testimony and notes of evidence taken in open court before the Hon. F. A. Monroe, judge, on the 31st day of January, February 1st, February 2nd, February 6th, February 7th, and February 8th, 1899, and reported by A. E. Oliveira on behalf of the State of Louisiana.

Index.

Henry Kahn, Esq..... Page (2)
H. B. Byrne, Esq..... Page (5)
Henry Gehl, Esq..... Page (23)
George Schurmann, Esq..... Page (24)
Gordons Orme, Esq..... Page (25)
J. P. Williams, Esq..... Page (78 to 305)

Appearances: Hon. M. J. Cunningham, att'y general; Messrs. Stifft & Madison and Frank E. Rainold, for State of Louisiana; Messrs. Pierson, Montgomery & Pierson and Judge W. H. Rogers, for defendants.

51 Civil District Court, Parish of Orleans, Division "C."

STATE OF LOUISIANA
versus
NEW ORLEANS DEBENTURE REDEMPTION CO. OF La., Ltd. } No. 56658.

Testimony and notes of evidence taken in open court before the Hon. F. A. Monroe, judge, January 31st, February 1st, and February 2nd, A. D. 1899; reported by A. E. Oliveira, stenographer.

Appearances: For the State, M. J. Cunningham, attorney general; Frank E. Rainold, Esq., Messrs. Stifft & Madison; W. H. Rogers, Esq., J. F. Pierson, Esq., of Pierson, Montgomery & Pierson, for defendants.

By Mr. RAINOLD: Counsel for the State of Louisiana offers, produces, and files in evidence a copy of the notarial act passed before Henry L. Garland, Jr., notary public for the parish of Orleans, on the 26th day of September, 1894, purporting to be the original charter of the New Orleans Debenture Redemption Company of Louisiana, Limited, marked "P 1."

Counsel for the State of Louisiana further offers, produces, and files in evidence copy of the pretended amended charter passed before

A. J. Villere, notary public for the parish of Orleans, of date
52 July 7th, 1897, marked "P 2," and which is filed as part of the petition.

HENRY KAHN, Esq., a witness on the part of the State, being duly sworn, testified as follows:

Direct examination by Mr. RAINOLD:

Q. Are you a stockholder in the New Orleans Debenture Redemption Co., Limited?

A. Not now; no, sir.

Q. Not now?

A. No, sir.

Q. Were you ever a stockholder in this company?

A. Yes, sir.

Q. How did you get your shares?

A. There never were any shares offered to me at the time I went in, at the start-off, and I was only in a few months.

Q. There were never any shares issued to you, and you went in at the start-off?

A. Yes, sir.

Q. Did you subscribe for any shares?

A. Yes, sir.

Q. For how many shares?

A. I think twenty-five.

Q. Did you ever pay for those shares in any way?

A. They called on me for a percentage of it—I don't remember exactly—a hundred and some odd dollars.

Q. On how many shares?

A. Twenty-five shares.

Q. Par value, one hundred dollars each?

A. Yes, sir.

Q. Did you give your note for the balance?

53 A. No, sir; I withdrew before they asked for the notes.

Q. What do you mean by withdrawing?

A. I transferred my interest to Mr. Byrne, and he gave me the money that I paid in and I just withdrew.

Q. Did you have any transaction with the company as to withdrawing?

A. No, sir.

Q. How did you cancel your original subscription?

A. I spoke to several and they said, "Sell your interest," and I told Mr. Byrne that I would transfer my interest to him; I signed the paper there and I did so.

Q. What Mr. Byrne? Mr. H. B. Byrne?

A. Yes, sir.

Q. You have had no other connection with the N. O. Debenture Redemption Co. since then?

A. No, sir.

Q. Then you were only a stockholder for a short period of time?

A. Yes, sir; only for a few months.

Q. You said you were one of the organizers of the company?
A. Yes, sir.
Q. You signed the original subscription list, didn't you?
A. Yes, sir.

By Judge ROGERS: All original subscribers who proposed to withdrew and sell their subscriptions to any one else while their subscriptions were presented as the law required, and as passed upon by the board of directors in the minutes of the company, are here, and will show each individual case *hwre* those transfers occurred. I state this in order not to have any further trouble.

54 By Mr. RAINOLD: What do you mean?

By Judge ROGERS: I mean to say, wherever an original subscriber wanted to withdraw, he would present a statement of some one to be substituted, and that was presented to the board of directors and the party was substituted in place of the original subscriber.

Admission.—It is admitted in this case by counsel for defendant that as to the original subscribers to the charter and to the stock of this company that when they desired to withdraw from the company and to transfer their stock the company accepted the transferee of the stock in lieu and place of the original subscriber, the company releasing the original subscriber to the stock from his obligation.

Mr. H. B. BYRNE sworn on behalf of the State.

By Mr. RAINOLD:

Q. Mr. Byrne, are you a stockholder in the New Orleans Debenture Redemption Company of Louisiana, Limited?
A. Yes, sir.
Q. How many shares do you own?
A. Now?
Q. Yes.
A. Sixty-five.
Q. Were you an original subscriber for any of these shares?
A. Yes, sir; twenty-five shares.
Q. Twenty-five?
A. Yes, sir.
Q. Mr. Byrne, did you ever pay for those shares for which you subscribed?

A. I paid in ten per cent. originally.

55 Q. When did you make that ten per cent. payment?

A. Soon after the organization. I don't remember the exact date; October some time.
Q. Is that all you paid on those shares?
A. I paid for all of them.
Q. You paid these twenty-five shares off?
A. Yes, sir; full paid.
Q. How did you pay the remaining ten per cent. of your subscription?

A. By my check on the Hibernia national bank.
Q. Did you pay in one check?
A. Yes, sir.
Q. When?
A. I don't know exactly when it was called for. The secretary can give you the information on that.
Q. Now, where did you get that ninety per cent? Did you borrow it from the company?
A. Not all; some I did.
Q. How much did you borrow from the company?
A. I don't know; the books will show.
Q. Did you ever give your note for the amount you borrowed?
A. Yes; my note, and the stock attached, as collateral.
Q. Then the stock was issued to you before you made payments?
A. No, sir. My payment—first I paid for my stock in full and afterwards borrowed on it.
Q. Didn't you just now say you borrowed money to make the payment, or a portion of the payment?
A. I borrowed money first, and subsequently borrowed money.
Q. How long after paying for the stock did you borrow money?
A. I don't remember.
56 Q. One day?
A. More than that.
Q. Two or three days?
A. I don't remember the exact date; it may be four days.
Q. You are a member of the board of directors?
A. Yes, sir.
Q. Now, wasn't it understood that you should borrow this money in order to help pay for this stock?
A. That I was to borrow money?
A. Yes, sir.
A. No; it was not definitely understood.
Q. Was there any resolution authorizing you to borrow money?
A. Yes, sir; there was a resolution passed on by the finance committee and confirmed by the board of directors.

By Mr. RAINOLD: Counsel for the State of Louisiana now offers, produces, and files in evidence the following resolution contained in the Minute Book of the finance committee of the meeting held June 10th, 1897, on page 51 of the Minute Book:

"On motion of Mr. Graham, seconded by Director Saxton, it was resolved that in view of the request made by Mr. Orme and of the probability of others of the stockholders desiring the same accommodation the president is hereby authorized and instructed to loan from the reserve fund to any stockholder an amount not exceeding ninety per cent. of the face value of the stock held by him upon him executing a pledge note payable on demand, bearing interest at the rate of 6 % per annum & payable every 90 days, to which must be attached as collateral security for the payment of said note the said stock held by him, together with the full power of attorney of any transfer or assignment thereof, it being a part of the obligation that

all dividends declared on said stock to be payable to the re-
57 demption of the interest and principal due on said note."

Q. Mr. Byrne, was it previous or subsequent to this resolution of the finance committee that you borrowed money on your stock?

A. Subsequent. I was not a member of the finance committee at that time.

Q. You were not?

A. No, sir.

Q. Was your case an exclusive case or did all the stockholders borrow money on their stock?

A. All didn't want to; a good many paid all cash for their stock and never did borrow.

Q. How many didn't borrow, do you know?

A. I don't remember.

Q. You don't know the proportion that didn't borrow?

A. No, sir.

Q. But you did borrow?

A. I did borrow.

Q. Now, sir, how much did you borrow?

A. Ninety per cent.

Q. Of the face value of your stock?

A. Yes, sir; I paid for it first and afterwards borrow- the money.

Q. You paid for it and three days afterwards borrowed the money from the company?

A. I don't know how many days. I know I gave my check on the Hibernia national bank, and I can produce it. I have it in my office if you would like to see it.

Q. You will produce it? I will be very much obliged if you do.

Q. You testified that you didn't borrow ninety per cent. of
58 your stock, but only a portion?

A. I said I didn't borrow all at the time.

Q. Then you were out this money you paid the company for the stock only a few days?

A. Until I borrowed it.

Q. Then you got it back?

A. Yes, sir.

Q. Now, you gave your note to the company?

A. Yes, sir; with the stock attached, on the conditions that all dividends should go to the credit of the note and also to pay six per cent.

Q. Did you ever pay any portion of that note?

A. Never paid any portion of that note.

Q. Was the note ever extinguished by the company in any way?

A. Yes; by dividends.

Q. Then you paid nothing on this note, but the company extinguished the note by applying the dividends to its payment; is that right?

A. The note is not extinguished.

Q. How much is still due on it?

A. About sixty per cent. due. On the total amount of stock—on twenty-five shares—fifteen hundred dollars due.

Q. So the note is not now due?

A. I am paying now six per cent. interest, and dividends are going to pay for the note.

Q. Did you ever pay any interest?

A. Yes, sir.

Q. In cash?

A. Out of the dividends.

Q. What you call paying is simply that the company de-
59 clared dividends and that dividend was applied to the note and principal?

A. First the principal and the balance to the note.

Q. In other words, you didn't pay any interest in cash?

A. No, sir.

Q. Was there ever any resolution of the board of directors covering this matter passed upon by the finance committee?

A. I think so.

By Mr. Rainold: Counsel for the State of Louisiana offers, produces, and files in evidence a resolution of the board of directors passed at a meeting held June 15th, 1897, contained on page 95 of the Minute Book, as follows:

"Also at that meeting the president was authorized to accept full-paid stock of this company as collateral to the extent of ninety per cent. of its face value."

Q. You were a member of the board of directors during this time?

A. I have been since the organization.

Q. You were present at the passing of that resolution on that day?

A. I am not positive, I think, but the minutes will show that.

Q. How much in amount or percentage of the stock subscribed was declared in dividends by the company?

A. I'll have to refer you to the secretary.

Q. You don't know?

A. I don't; no, sir.

By Attorney General:

Q. You say you don't know?

A. Either thirty or thirty-five per cent. I don't know positively.

By Mr. Rainold:

60 Q. You don't know?

A. No, sir; not positively. In that neighborhood; I can't state positively.

By the Court:

Q. The testimony that you are giving, does that apply to the sixty-five shares you hold?

A. No, sir; the original shares. I bought the balance since then.

Q. Did you pay the same proportion on all the stock that you hold?

A. Yes, sir; the same proportion.

Q. And you borrowed the same amount of money?

A. Yes, sir; all my stock is in one.

Q. Did you pay for all the stock that you held before or did you borrow money before it was full paid?

A. No, sir.

Q. Mr. Kahn testified that he paid a hundred dollars on twenty-five hundred dollars of stock. Do you call that full paid?

A. He only subscribed to the stock. He never had the stock.

Q. At what stage in the proceedings did you borrow money on that stock that Mr. Kahn had?

A. I don't know when it was.

Q. He testified that you paid him what he paid, and that he paid $100.00.

A. I think he paid $125.00. He didn't give his note when called on and I paid him $125.00.

Q. Let us suppose that it was a hundred and twenty-five dollars paid on $2,500.00 of stock. At what time did you borrow money from the company on that stock that you got from Mr.
61 Kahn?

A. I paid him $125.00 cash, and I gave my demand note to the company for $125.00, making $250.00, and at the time that the loan was called—the entire stock, I sold it before the loan was called—I sold it to Mr. Caspar, wasn't it Mr. Williams?

Q. Did you ever borrow any money on the stock that you got from Mr. Kahn?

A. No, sir; I sold it before issue to Mr. Caspar.

Q. Where did you get the other forty shares to borrow on?

A. I bought it from different people in five or ten share lots.

Q. Were the certificates of stock issued at the time you bought it?

A. Yes, sir.

Q. In all cases?

A. Yes; full-paid stock.

Q. I am not asking you about it being full-paid stock. It is not a question of their value. I am asking you whether the certificates of stock were issued in all cases where you bought stock and where you didn't originally subscribe for it.

A. Yes, sir.

Q. And the certificates transferred to you?

A. Yes, sir; and I subsequently borrowed money from the company on it.

Q. And you undertake to say in consequence of the certificates being issued to you that all that stock was full paid?

A. Full paid; yes.

By Mr. RAINOLD:

Q. You say that these certificates that you bought were full paid?

A. Yes, sir; I paid cash for every one I bought outside of
62 the twenty-five shares originally.

Q. Do you know from whom you bought those shares?

A. Yes; Lewis S. Graham.

Q. Do you say his shares were fully paid?

A. Yes, sir.

Q. How do you know?

A. He borrowed and I took up his note and gave the difference in a check for cash.

Q. Then, when you bought these shares from Lewis S. Graham his note was in possession of the company as a payment for the balance due on those shares, as I understand you to say. In other words, he had borrowed from the company on those shares?

A. Yes, sir.

Q. All the shares at the time you purchased them were pledged to the company for security on that note?

A. Yes, sir.

Q. And yet you say those shares were fully paid for?

A. Yes, sir; there was only a demand note as security.

Q. But that demand note had been given to the company for the balance of subscription, was it not?

A. No, sir; simply borrowed money after issuance.

Q. How do you know he had paid for those shares before you borrowed the money?

A. I was a member of the board of directors and I know that everybody had to do that.

Q. That was done only a couple of days before you borrowed?

A. I don't know; we had to pay before we could borrow.

63 Q. Wasn't it the proposition of the company to get ninety per cent. from the company in order to make this payment to the company?

A. No, sir; we all had to pay six per cent. on what money we borrowed, and those that didn't want to borrow didn't have to borrow.

Q. As a matter of fact, the most of them borrowed ninety per cent.?

A. A good many did and a good many didn't.

Q. Wasn't the proposition of the company to loan the money to the subscribers in order to enable them to pay up their stock?

A. They were willing to loan 90 %—to loan the money to anybody on the basis at ninety per cent., with the understanding that we paid 6% and could not draw any of the dividends until the note was extinguished.

Q. Wasn't it the intention of the board of directors to loan its members, its shareholders or subscribers, the money in order to enable them, with that money, to pay up their stock?

A. I don't know whether it was the intention of the entire board or not; I can't speak for the board of directors.

Q. Wasn't it the intention of the board of directors to loan its members, shareholders, or subscribers the money in order to enable them to pay up their stock?

A. No, sir; not the entire board of directors.

Q. You participated in these proceedings of the *of the* board of directors that brought about this matter?

A. Yes, sir; but I can't speak for the board. We knew that we were going to pay for the stock and we knew we could not draw any dividends as long as we had the note outstanding. I have never drawn a dollar out of the N. O. Debenture Company and I have been in there four years.

64 Q. Didn't the board of directors know and wasn't it discussed that some of the members could not pay up their stock unless they were given a loan for the company?

A. Yes, sir.

Q. Wasn't a resolution passed with a view of enabling these members who could not pay otherwise to do so?

A. It was done for that purpose, and also to have the company make six per cent. interest. If we didn't do that we would have not made five thousand dollars interest on that stock.

Q. As a matter of fact, however, none of the stockholders have paid any interest to the company on their notes, have they?

A. Some of them have, I suppose; I have not, but it has been credited to me in dividends.

Q. Do you know of any one who has paid the interest on his note in cash?

A. I can't recall.

Q. Don't you know as a matter of fact that none of the subscribers paid five cents on their notes, and that the interest was paid the same way as yours was paid?

A. I don't know it as a fact; but I will refer you to the secretary.

Q. You don't know it as fact?

A. No, sir.

Q. You are a member of the finance committee?

A. Yes, sir.

Q. Don't you know that as a fact?

A. No, sir; I know that the majority of them haven't.

Q. Don't you know that none of them have paid any interest?

A. No, sir.

Q. Do you know of a single instance where any one has paid interest on his note?

A. No, sir.

65 Q. Therefore, when you talk about the company earning $5,000.00, you mean that the company declared dividends, and paid them to itself, but didn't earn it. Ain't that the way?

A. I know I never drew a cent; the interest was deducted from the dividend; the interest on the note was deducted from the dividend, and the balance was applied to the face of the note.

Q. What other stock did you purchase besides that from Mr. Graham?

A. I purchased some from Mr. Dameron, and I purchased some from Mr. Moore.

Q. How many shares from Mr. Moore?

A. Five (5) shares.

Q. And from Mr. Dameron?

A. Five shares from Mr. Dameron.

Q. Were those certificates transferred to you in that case as fully paid up when transferred?

A. I paid him, and afterwards borrowed on it.

Q. Was the stock fully paid up at the time you purchased it?

A. Yes, sir.

Q. Mr. Dameron's was in the same way as Mr. Graham's was?

A. It was full-paid stock; but I had to take up his loan before I could buy it.

Q. The certificates were actually handed to you by Mr. Dameron?

A. Yes, sir.

Q. At the time of this transfer wasn't Mr. Dameron's note pledged to the company for the payment of this stock?

A. I paid Mr. Dameron the money, and he took up his note.

Q. No, sir; that is not an answer to my question.

By the COURT:

Q. The question asked you was: At the time that you bought this stock from Mr. Dameron, whether the company didn't hold Mr. Dameron's note secured by pledge of that stock?

66 A. Yes, sir.

By Mr. RAINOLD:

Q. Now, sir, if this stock was pledged to the company for the payment of that stock, how is it that Mr. Dameron had possession of the certificates to deliver to you?

A. He didn't have possession until he took up his note.

Q. So Mr. Dameron didn't have possession of the certificates until he took up his notes. Is that it?

A. Yes, sir.

Q. Mr. Witness, you say that he took up his note, and you gave your note in place of his?

A. Yes, sir; he got his note, and the stock is attached to my note.

Q. Now, at the time that Mr. Dameron's note was taken up, did he settle on ninety per cent. of the face value of the stock transferred to you?

A. No, sir; he didn't.

Q. How much did he owe?

A. Sixty or sixty-five per cent.

Q. Did you give your note, then, for ninety per cent. of the face value of the stock that you bought from Mr. Dameron, or did you give it for sixty-five per cent.?

A. Sixty-five—sixty or sixty-five per cent.

Q. In other words, the dividends had been credited on the note of Mr. Dameron, and when you took the stock you gave your note for

the balance that seemed to be due on the books of the company on this stock?

A. There was nothing due on the books of the company on this stock.

Q. Well, on the note, if that will suit you?

A. That is correct.

67 By the COURT:

Q. And the certificates of stock you left with the company as a pledge for your note?

A. Yes, sir.

Q. And you call that stock fully paid up?

A. Yes, sir; fully paid.

By Judge ROGERS:

Q. What was the value of the stock at the time *of* the board of directors passed the resolution in 1896?

A. One twenty-five to one fifty. I bought some at one fifty, and only borrowed ninety per cent. on it.

Q. You were simply substituted as a subscriber in place of Mr. Kahn?

A. Yes, sir.

Q. But the other stock you bought was issued in pledge?

A. Yes, sir.

Q. In every case?

A. I paid cash—one twenty-five.

Q. The other stock you bought had been paid up in full?

A. Yes, sir; both Mr. Caspar's and the others had — paid in full. I paid them a hundred and twenty-five. I got twenty shares of stock, which cost me a hundred and twenty-five dollars a share.

Q. How much did you borrow on your Caspar stock?

A. I don't remember.

Q. Prior to the passage of this resolution in regard to loans of money on the stock, there was a resolution calling for the payment of the stock in full by the board of directors?

A. Yes, sir.

By Mr. RAINOLD: I call for that resolution.

By Judge ROGERS: It is on page 83 of the Minute Book.

By Mr. RAINOLD: Counsel for the State of Louisiana now
68 produces and files in evidence the resolution on page 83 of the Minute Book of date May 17th, 1897, as follows:

On motion of Judge Rogers, duly seconded by Director Saxon, it was resolved that the unpaid balance of eighty-five per cent. due by stockholders on the amount of stock subscribed for by them be, and is hereby, called for payment in full and made payable not later than thirty days from this date.

By the COURT:

Q. I understood you to say that you originally paid ten per cent. in cash on the original twenty-five shares subscribed for by you?

A. Yes, sir.

Q. That left twenty-two hundred and fifty dollars due by you?

A. Yes, sir.

Q. I also understood you to say that after the board of directors called in the balance of subscription that you gave a check on the Hibernia bank for the balance due, $2,250.00?

A. Yes, sir; twenty-two hundred and something and some interest, and I afterwards borrowed ninety per cent.

Q. What I want to ask you is this: Was there any negotiation between you and the bank or between the company and the bank, whereby it was understood that this check would be honored in full before obtaining from the company that amount of money as a loan?

A. No, sir; I had money at the bank and I gave my check without any reference about that loan at all. I have my check in the office, as I told Mr. Rainold. I'll bring it.

Q. It was understood, though, between you and the company that upon the payment of this amount they would loan you 90 %?

A. They would loan me ninety per cent., that I was to pay 6 % interest, and that I could not draw any dividends as long as I had a note standing, the note to be credited with all dividends,
69 whatever they might be, and each and every note reads that way.

By Mr. RAINOLD:

Q. Did you have $2,250.00 to your credit in the Hibernia national bank when you drew that check?

A. I think so. They paid my check.

Q. As a matter of fact, wasn't it understood with the secretary of the company that your check was to be held back and not cashed until the loan was made to you by the company?

A. No, sir; it was not.

Q. What was the understanding, if any?

A. The understanding was I was to pay in full and afterwards borrow 90 %.

Q. Wasn't your check held back, as a matter of fact?

A. I don't know.

Q. Are you possitive you don't know?

A. I am possitive, but the check will show for itself.

Q. Where did you deposit the money that you borrowed?

A. In the Hibernia national bank.

Q. I ask for that check. You say you have it and that you are willing to produce it?

A. Yes, sir; I'll produce it.

By the COURT:

Q. You say you don't know whether this check was paid after you borrowed the money from the company or before?

A. I don't remember. This was two years and a half ago and I don't remember.

By Mr. RAINOLD:

Q. Now, Mr. Witness, don't you know, leaving out your own case, as to other subscribers of stock who borrowed from the company, that their checks were held up until they made the loan from the company?

A. I don't know.

70 Q. You never heard of such a thing?

A. I don't know anything about other people's checks. The secretary can give you the information on that.

Q. It was never discussed between you and the secretary?

A. No, sir.

Q. And no illusion was ever made to it?

A. No, sir.

Q. You are positive of that?

A. Yes, sir; I don't know anything about the depositing of the check.

By the COURT:

Q. The question is whether you heard in that capacity, as a director of the company, that in some of these cases or in any of them that a check given for payment of the stock was held back until the person obtaining the loan on that stock was given the amount of the loan.

A. I don't remember to have heard that to be the case.

By Mr. RAINOLD:

Q. Well, what did you hear to be the case?

A. What did I hear to be the case?

Q. Yes.

A. I don't know. I didn't hear anything about what the others done.

Q. The Hibernia national bank, as a matter of fact, is one of the depositaries in which the N. O. Debenture Redemption Company deposited its funds?

A. Yes; one of the banks, and the bank I was doing business with for four or five years.

By the COURT:

Q. You, as I understand, are quite sure that you had at the time you drew your check in favor of the company money enough in bank to pay the check?

71 A. I must have it; it was paid.

Q. I didn't ask you that question, because it don't follow because your check was paid that you had the money there at all. You stated you didn't know whether your check was paid before or after the money was deposited that you borrowed, and I asked you whether or not you can testify you had money enough in the bank to meet that check at the time you gave the check.

A. Yes; I am sure.

Q. At the time you gave the check you had $2,250.00 or in that neighborhood in the bank to your credit?

A. Yes, sir.

By Mr. RAINOLD:

Q. How is it, then, that you don't know whether your check was paid before or after this loan?

A. Because I gave my check the day I got the stock, and the second or third day I borrowed the money.

Q. Don't you know, as a matter of fact, among business men the checks are always deposited the day they are received?

A. No, sir; they often hold checks in the N. O. Debenture Company three or four days and sometimes a week.

Q. Why?

A. Well, because they would have to go to the bank several times, and they don't want to go to the bank daily.

Q. The bank is just across the street?

A. Yes; but they do not deposit every day.

Q. Do you mean to say that it is the policy of your company not to deposit checks the very day they receive them?

A. No, sir; they do not.

Q. And that they hold them out?

A. Well, the secretary can tell you that.

Q. In cases where checks are held out, ain't it where they are held out, because it has been asked the secretary to hold them out?

72 A. No, sir; I know they have been held out three or four days.

Q. Checks on debentures, for payments on debentures, held out for three or four days in order to make a big deposit to go to the bank with?

A. Yes, sir.

Q. Then, although you do know that checks are held out at present, you don't know whether the checks were held out at the time the subscribers of the stock paid their subscriptions?

A. I do not.

Q. You don't remember that, do you?

A. No, sir; I do not. They hold them out now.

Q. You say they hold out checks now because there is not sufficient money to deposit in bank?

A. Sometimes a day or two, between the 5th and the 8th; until after the collections. They hold them out from the 10th, because between the 10th and the 15th there is very little coming in and to deposit.

Q. How much did your company collect monthly?

A. $21,000.00.

Q. Yet you tell me they hold out their deposits, and only deposit once in three days?

A. No, sir; between the 1st and the 5th. We don't have to deposit daily; we have a good safe and a good vault in our office.

Q. But in case of a check given you by a man, does your com-

pany have so much confidence that his account will be kept good that they keep his check back two or three days before depositing it?

A. We keep it back two or three days; we are not afraid, or we would not have taken the check.

Q. Did you get the certificate of stock at the time you gave the check?

A. Yes, sir.

73 Q. And you don't know how long it was before the check was paid?

A. No, sir; I do not.

By Mr. RAINOLD: We ask for the production of that check. Will you produce it, Mr. Byrne?

A. Yes, sir.

Q. When?

A. Tomorrow morning.

HENY GEHL, Esq., sworn on behalf of the State, testified as follows:

Direct examination by Mr. RAINOLD:

Q. Are you a stockholder in the N. O. Debenture Redemption Co.?

A. No, sir.

Q. Were you ever a stockholder?

A. I was.

Q. Were you one of the original subscribers to the stock?

A. I was.

Q. How many shares did you subscribe for?

A. To the best of my recollection, twenty-five shares.

Q. Did you ever pay for those shares?

A. I think I paid the original first assessment of 5 %.

Q. Did you ever pay the balance of your subscription?

A. No, sir.

Q. What did you do with your stock?

A. I sold it.

Q. To whom?

A. To the best of my recollection, to Mr. White; but my business was done through Mr. Villere, and I believe he bought it for Mr. White.

74 Q. Were you relieved of your subscription when you transferred it or do you still owe the company for the balance of your subscription?

A. When I sold out my stock purchased I sold all my interest in the company. Of course I had no other obligations, excepting as a subscriber to the stock and in getting back my original subscription, which was five per cent.

Q. Did the company ever call on you for the other ninety-five per cent.?

A. No, sir; they did not.

By the COURT:

Q. Is it your understanding, Mr. Gehl, that the person to whom you transferred the stock that you bought took your place and assumed all oblications to the company?

A. Yes, sir; certainly.

GEORGE SCHURMANN, Esq., sworn on behalf of the State, testified as follows:

Direct examination by Mr. RAINOLD:

Q. Mr. Schurmann, are you a stockholder in the N. O. Debenture Co.?

A. No, sir.

Q. You are not?

A. No.

Q. Were you ever a stockholder?

A. Yes.

Q. How many shares did you subscribe for?

A. Twenty-five.

Q. Did you pay for them?

A. Paid ten per cent.

Q. Did you give your note for the balance?

75 A. 5 % cash and a note of five per cent.

Q. You gave a note of five per cent.?

A. Yes, sir.

Q. When the call of ten per cent. was made it was made in two calls, one for five per cent. and the other you gave the note for five per cent.?

A. Yes, sir.

Q. The first call you paid in cash?

A. Yes, sir.

Q. And the second call you gave your note?

A. Yes, sir.

Q. Were you ever called upon for the balance, ninety per cent.—did you give your note for that?

A. No, sir; I sold out.

Q. To whom?

A. To Mr. Himel.

GORDON S. ORME, a witness on behalf of the State, testified as follows:

Direct examination by Mr. RAINOLD:

Q. Mr. Orme, you are a stockholder in the New Orleans Debenture Redemption Company?

A. Yes, sir.

Q. How many shares do you own?

A. Twenty-five shares.

Q. How did you become the owner of those shares?

A. Well, I was an original subscriber, and to the best of my rec-

ollection, although I might be mistaken, it was understood that the call would be for ten per cent.; that the stockholders should pay on the call; but first we had no use for the money, and I think the board of directors passed a resolution five per cent. payable in cash, and the stockholders should give their note on
76 demand for the other five per cent., and that is the way I paid my ten per cent.

Q. How did you pay the balance—ninety per cent.?

A. As described by Mr. Byrne.

Q. Mr. Byrne's description was rather unsatisfactory?

A. I will explain. You will notice on the resolution of the board of directors that I was the party that made the motion that the stockholders be allowed to borrow ninety per cent. The object of that resolution was this: At that time the stock was quite valuable and commanded a premium, and I was annoyed at some parties who wanted to get possession of it and it was placed before the meeting; that the stock was to earn six per cent., which all agreed to. There were two stockholders in the company that were objectionable to some of the other stockholders, and they wanted to push them out. One of them was the originator of that plan, and that was Dr. Waiss, who is now dead, and as his family holds his interest, I didn't want to see any man thrown out of his stock unjustly; and there was another party. Now, when I heard that they were going to loan these parties whose credits were gilt-edge and not the others whose credits were not so good—I didn't know this, whether it was correct or not, I just simply heard it; but when I heard this, that they were going to loan some money, I didn't favor any such action as that. I knew I could pledge my stock to the bank with my own name, but I didn't know in the case of Dr. Waiss and his family if they could meet the call, and so in the case of another. I didn't know that everybody was in the same condition, and I passed a resolution that any stockholder had the privilege of borrowing ninety per cent. I didn't want to make fish of one and flesh of the other.

Q. In other words, that resolution was passed, then, in
77 order to enable those people who were not able to meet the call of ninety per cent. to pay the ninety per cent. by a loan from the company?

A. That is a surmise that the company——

Q. Still you favored the resolution; isn't that the purport of your testimony so far?

A. My purport was to protect the estate of Waiss and another man, who were not in active business and whose financial condition I didn't know, and who afterwards, to my surprise, paid his stock in full; that man was Caspar—his stock was not pledged. I didn't know his financial condition, and I was surprised that he paid in cash.

Q. Then the purpose for which you offered this resolution, as I understand your testimony, was to enable those stockholders that desired to do so to borrow sufficient money from the company in order to pay up their stock in full?

A. Yes, sir; but I had those parties in my mind.

Q. You had those persons in mind when you offered that resolution, and it was for that purpose and you told the board of directors that you offered it for that purpose, and the policy was discussed, was it not?

A. No; I didn't tell them the purpose. I told them that I heard things noised around that I didn't approve of, and I asked them to back up that resolution, which they said they would. I saw several of them.

Q. How many of the stockholders borrowed money in order to enable them to pay up their stock this way from the company after this resolution enabling them to borrow 90 % was passed?

A. I will have to know the financial standing of the different stockholders.

Q. I am not asking you that. I know many availed themselves of that resolution.

78 A. I can't answer that; the secretary will have to answer that question.

Q. How many of the stockholders paid in cash?

A. I don't know.

Q. You are a member of the finance committee?

A. Yes; I am.

Q. And you don't know how many paid in full?

A. No, sir; I can't tell you exactly. I think eight or nine or ten, to the best of my recollection, paid up in full.

Q. Eight or ten paid in full, and all the rest borrowed—is that a fact?

A. There might be more and there might be less.

Q. Did you borrow money?

A. Yes.

Q. You borrowed and paid up your stock?

A. Yes, sir; I had five times that much money in the bank at the time I borrowed it.

Q. You wanted your money for other purposes at that time?

A. Yes, sir.

Q. And you borrowed for the purpose of paying up your stock?

A. Exactly; but I borrowed on my stock, not for that purpose—I borrowed money on anything, even on my house.

By Judge ROGERS: Don't put words in his mouth.

By the COURT: The question is suggestive.

By Mr. RAINOLD:

Q. Would you have been able to pay up the ninety per cent. if you had not been afforded this loan by the company?

A. If it had been called, I would have had it to do.

Q. That is not the question.

A. Yes, of course, I would have paid it up.

79 Q. Would the call have been made except in connection with the resolution authorizing the stockholders to borrow ninety per cent.?

A. If you notice by the minutes, the resolution making the cal

was a thirty-day notice. It mentioned nothing at that time of that kind. It was only afterwards, when I submitted that and found out who was suspicious, that something might happen, and it was at the following meeting that I offered the resolution in regard to the loaning of the money by the company, because the resolution making the call said nothing about it or how the call was to be paid. I had great regard for the old man Waiss, and I didn't want to see him, after he was dead, thrown out.

Q. Did you receive your certificate for the twenty-five shares that you had subscribed for at the time you gave your check for the ninety per cent. due on it?

A. Yes, sir.

Q. Did you receive your certificate as full paid before or after the check was paid?

A. I think so. To the best of my recollection, I gave the check and they gave me the stock. I left the stock with Mr. Williams, the secretary of the company, and I said to him, I am going to borrow on it, in accordance with the resolution, whatever the company will allow on the stock.

Q. Did the company make a loan to you, and did you place the amount of that loan to the credit of your account before the check was paid or afterwards?

A. I make deposits and do considerable business every day. If the company gave me a check, no doubt the cashier or the bookkeeper deposited it that day. I don't follow up that business myself.

Q. It would be a perfectly satisfactory answer to me if you say you don't know.

80 A. I can't tell you. I don't know.

Q. You don't know whether the money you borrowed from the company was deposited to your account, before your check was presented for payment, or not?

A. No, sir; I can't answer that question.

Q. But you do know, as far as your memory goes, that the certificate of stock was delivered to you as full paid at the time you gave the check?

A. Yes, sir; I remember my note; if I remember, I made the whole transaction in one affair for convenience sake. This resolution had passed before and I gave my check to Mr. Williams, the secretary, and said, "Williams, here is my note."

By the COURT:

Q. Did he give you a check the same day you gave him yours?

A. I can't say positively, but I judge so.

Q. If you gave him your note, it was very likely that he did?

A. I suppose that he did.

Q. I will ask you the same question I asked Mr. Byrne, Mr. Orme, because in one shape or another we are going to get at the bottom facts of this matter in this case, if it takes all the balance of the winter. You being an officer in the company, and director, and familiar with the policy by which the company was governed, and

participating upon the subject, and so on, did you hear it discussed that this money or these loans were to be made to the stockholders in order to put them in funds with which to pay the unpaid balances on their subscription?

A. Well, I can't say. I can only answer that question from my own surmise; from my own opinion, I presume—the opinion which I form without any reason for it—if a man tells me the board passed a resolution and you ask me if I used that check the
81 same day, I can't say. I can say my cashier deposited that, but whether those checks were deposited the same day or not I can't say.

Q. Your check would be found?

A. Yes, sir.

Q. And the company's check could be found?

A. Yes, sir.

Q. We can ascertain that way whether they bear the same day?

A. Yes, sir; you could borrow more than that on the stock on the street. Of course, if a man gave his note and attached his full-paid stock, he was entitled to his check from the company.

By Mr. RAINOLD:

Q. Are you in the habit of leaving your note around without getting a check for it?

A. No; not unless the party tells me I will send it that day, and I guess he sent it to the office.

Q. Then, practically, you never were out of this money from which you paid up the balance of this subscription?

A. No, sir.

Q. You were not out a day?

A. I don't know whether I was or not.

Q. But there was no necessity for your being out a day?

A. No, sir; there was no necessity for it under the resolution.

Q. You could have taken that check which you got from the company and gone immediately to the bank and cashed it, could you not?

A. Yes, sir; I think so under the resolution. I can go out on the street and borrow on State bonds of a thousand dollars, and they can give me nine hundred dollars for it, and I am out $100.00.

Q. Then, practically, Mr. Orme, you really paid up the balance on this stock by this loan to you?

A. Yes, sir.

82 Q. That was the practical operation of it, wasn't it?

A. Yes; that was the operation it went through. I could have borrowed outside. The company was satisfied with its stock. It was worth at that time a hundred and fifty, and at that time we thought ourselves safe to loan ninety per cent. of the original value on it.

Q. Were any dividends declared by the company?

A. Yes, sir.

Q. Paid them?

A. No, sir.

Q. What was done with those dividends?

A. Credited to my stock.

Q. Did you ever pay anything on this note you gave the company?

A. Nothing.

Q. Nothing?

A. No, sir.

Q. It has not been extinguished?

A. No, sir.

Q. How much has been extinguished?

A. I think the other night fifteen hundred dollars and something he told me I owed, to the best of my recollection.

Q. You are a member of the finance committee?

A. Yes, sir.

Q. How is it you don't know more about the affairs of this corporation?

A. I have a good deal more in my head.

Q. I want to find out about these dividends.

A. The secretary will have to answer that.

Q. You, as a director and a member of the finance committee, you don't know what became of the dividends due those parties who paid up their call in cash?

83 A. Those parties buying stock in full got their dividends in cash, and those who didn't and needed money for convenience did get it in cash.

Q. How is it that you don't know about the dividends; how many were declared?

A. I haven't got a record of that. I can't remember those things. The company one of five or eight per cent.

Q. Haven't you got a general idea?

A. Let me see. (Witness takes a memorandum from his pocket.) $1,527.00.

Q. Well, take that statement, then, that you made when you thought you might be called upon to know something about the matter. Don't you know anything about the affairs of the company outside of that statement?

A. I have given you what I know.

Q. Then you don't know the dividends or the amount of the dividends declared by the company?

A. I don't want to make a statement on guesswork. That can be ascertained from the secretary. They declared dividends when they were earned. As a rule they were declared at irregular times, not annually or semi-annually. I have kept the annual dividends, and I might have a copy of the record.

Q. Dr. Waiss was one of the organizers of this company?

A. Yes, sir.

Q. Was he the general organizer, the chief man, the man who got it up; did he go around and get you gentlemen to subscribe to the stock?

A. Originally, yes, sir.

Q. Did the company ever issue any stock to Mr. Waiss for the services of organizing this company?

84 By Judge ROGERS: Answer yes or no.

A. No, sir; not for services of organizing the company, no.

By Mr. RAINOLD:

Q. For what service did the company issue stock to Mr. Waiss?

A. Mr. Waiss presented a set of tables of the original subscription members of this organization for investigation, with the understanding that if they adopted it, and with the promise of myself, who virtually organized the company with him, if we organized on any line such as he suggested, that we would pay him a certain royalty on every debenture issued. When the company was organized we drew up a contract with Mr. Waiss.

Q. Was the contract in writing?

A. Yes, sir.

By Mr. RAINOLD: We call for it.

A. Giving him the position of supervisor of all the agencies in town; making him the general commissioner of agents. That was not exactly royalty, but it was in payment for his services. He was to give his time and attention to the company, and for that time and attention to the company he was to get—this is to the best of my recollection; I am speaking now from memory—he was to get twenty cents on every debenture that was issued.

Q. He was to get twenty cents on every debenture that was issued?

A. Yes; while it was amounting up to considerable, and there was a change in the board of directors, and he didn't like that feature of it, and they offered Mr. Waiss a consideration for the balance of his contract with the company. Now, whether it was cash, and he used that money to pay his stock, or whether it was paid-up stock, I don't know. I don't know what he did with it. He was offered the money, but what he did with it, I don't know. Whether he bought his stock with it or not, I don't know.

85 By the COURT:

Q. So Mr. Waiss' interest originally with the company was bought out either by giving him stock or paying him in cash?

A. Yes, sir; they bought him out, but I don't know how it was; whether it was stock or money.

By Mr. RAINOLD: Counsel for the State of Louisiana now calls upon the counsel for the defendants to produce the original contract with Mr. Waiss, or a certified copy thereof.

By Judge ROGERS: If we have a certified copy of the original contract; but the original contract itself, I think, is in the possession of the family. We have the minutes which authorizes the contract.

Counsel for the State of Louisiana offer, produce, and file in evidence the following resolution passed by the stockholders of the New Orleans Debenture Redemption Company, Limited, on September

20th, 1894, contained at page four of the minute book of the board of directors: "On motion, the board of directors was instructed to enter into a contract with Mr. A. S. Waiss based upon the following lines: Said Waiss to transfer to the company all the plans, schemes, business, and computations under which the company is organized, in consideration of which the company covenants: 1st. That the said Adolph F. Waiss, his heirs and assigns, shall have and be entitled to receive a royalty of twenty cents on each and every debenture sold by the said company for and during the term and space of ten years from October 1st, 1894, provided more than one installment shall have been paid on said debenture. At the expiration of said term all royalties shall cease, and no renewal shall be granted. 2nd. That the said Adolph S. Waiss will be appointed for the term of ten years from date hereof, unless sooner removed from same, general manager of agencies for the State- of Louisiana, Mis-
86 sissippi, and Alabama, with full and exclusive power to appoint at his own charge and expense such subagents that the directors sanction; that the management and operation of the general agents and all subagents shall be under and subject to the supervision and control of the board of directors of this company. The said general agents to receive $2.00 on every debenture issued to holders in said State- of Louisiana, Mississippi, and Alabama—that is, the first monthly payment of $2.00 shall be paid to said subagent."

Q. Now, you say that the contract with Dr. Waiss continued how long?

A. Before it was cancelled?

Q. Yes.

A. I can't answer that question.

Q. How many years?

A. I can't answer the question. The secretary can tell you. You will have to refer to the books.

Q. Were you ever president of the company?

A. Yes, sir; the first president.

Q. How long from the time of its organization?

A. I think it was a year.

Q. Were you the president when Mr. Waiss entered into this contract with the president?

A. I think so.

Q. Were you president when the contract was abrogated in any particular?

A. No, sir.

Q. Then the contract lasted beyond your term?

A. Yes, sir.

Q. What other office did you hold in this company?

A. I have been on the executive committee and the finance committee.

87 Q. Were you only a member of those committees?

A. I believe I was chairman of the executive committee.

Q. Are you chairman of the executive committee now?

A. Yes, sir.

Q. Were you not also vice-president of the company?

A. Yes, sir; for the term afterwards.

Q. You are now chairman of the executive committee and what other committee?

A. I believe second vice-president.

Q. But at present you are chairman of the executive committee?

A. Yes, sir.

Q. How long have you been chairman of the executive committee?

A. From the last election. I don't exactly know that date.

Q. What are the duties of the executive committee?

A. The executive committee conducts the general management of placing all business generally, and to make it short, the selling of debentures—that is, the executive and principal part.

Q. In other words, the executive committee has charge of pushing business and of selling debentures?

A. Yes, sir.

Q. Now, in order to push the sale of debentures in this and other States haven't you issued very — circulars and advertisements to the public, which have been distributed by your agents through this and other States?

A. Yes, sir.

Q. How many circulars and advertisements of your scheme have you issued?

A. I can't tell you.

By Mr. RAINOLD: Counsel for the State now calls for copies of the various circulars issued by the company.

Judge Rogers here hands counsel for the State a bundle of circulars.

88 Q. I now hand you a booklet marked "P 3." Has your company issued a circular of that description to the public?

A. The secretary will have to answer the question.

By Mr. RAINOLD: All these documents I now hold in my hand have been produced by the company, in answer to the writ of *sub-pœna duces tecum* addressed to it, as circulars issued and published and circulated by that company for the purpose of obtaining business.

Counsel for the State of Louisiana now offer, produce, and file in evidence the said documents produced for the purpose of showing what statement- were made to the public in order to obtain business, and which are marked as follows: "P 3," "P 4," "P 5," "P 6," "P 7," "P 8," "P 9," "P 10," "P 11," "P 12," "P 13," "P 14," "P 15," "P 16," "P 17," "P 18," "P 19," "P 20," "P 21," "P 22," "P 23."

By the COURT:

Q. Are you pretty familiar with the plans and operations of the company?

A. Yes, sir; I am virtually the originator of this present plan.

Q. Is it operated upon the basis that all debentures which would mature in six years—that the company will pay $216.00 at the end of six years?

A. Yes, sir; I think that is the amount.

Q. You ought to know. You originated it.

A. To tell the truth, I can't remember—$216.00. That is right.

Q. It has been operated on that basis all the time?

A. Yes, sir.

Q. That is to say, a person comes into the office of your company—an investor, I suppose you call him—and invests or
89 subscribes, or *or* whatever he is called, and he pays two dollars monthly to the company?

A. Yes, sir.

Q. And the company issues a debenture, which at the end of six years is guaranteed to amount to $216.00?

A. Yes, sir.

Q. The investor continuing to pay $2.00 per month during that period of time?

A. Yes, sir.

Q. That is the manner in which the business of the company has been conducted from the beginning?

A. Yes, sir.

Q. Then the company didn't take advantage of the privilege accorded by its amended charter of making a change in that respect?

A. No, sir, if the court would like and I am not out of order.

Q. The court is anxious to have all the information you are disposed to give us.

A. I am perfectly familiar with the organization of this company. If the court likes, I will give the details of the idea and how it was just got at.

Q. I would like it very well.

A. I was on the board of trade one day, and this Mr. A. S. Waiss, who has that contract, was introduced to me by Mr. Henry Gehl, who testified here, and I was very busy at the time, and he came with a whole roll of paper, and he seemed to have a lot of tables and figures, and he went in there, and he read over to us his plan, and he wanted me to subscribe, and I said I would not do anything like that without further investigation. He told me it would take several weeks to investigate it, and I told him I considered
90 myself an accountant. Mr. Gehl said "he made a half-way investigation, and that it was a good thing."

Q. That was the proposition to form the company?

A. Yes, sir; there was a meeting at my house, and there was Mr. Herne, of Delgado Brothers, and Mr. Daniels, of the Consolidated Rice Company, and at the time, I believe, Judge Rogers and several others. I don't remember anything now, but the result of that meeting was that they appointed me a committee of one to investigate the tables and the business in general and to make another report. I kept the tables at home, and I worked at night several weeks on them, and in the meantime, before Mr. Waiss did submit

his tables to me, he made me promise individually that I would not organize the company on any of those lines unless I protected him in case of royalty. I examined his tables and found they were entirely impracticable. They didn't pay any one individual on the same basis of dividends. They paid twenty-four at the end of four months where the depositor only paid in eight. In other words, the older the company got the less it paid an investor. I looked at the tables over and got the idea from them. As I had some experience on that line before, I thought that while the tables were impracticable they could be worked out on some basis that would show a solvency and would be solvent. I borrowed several life-insurance books and looked over them, and had my clerk at work about two months looking over several tables that I made out, and I then reported to the company, while I considered Mr. Waiss' plan not feasible, that according to the tables I made out I thought the plan that would be feasible and would hold water could be drawn up. It would require work and the expenditure of money, and they authorized me to hire an actuary to draw up a table according to my line, and if anything came out of it they would pay for it. I em-
91 ployed a man, after advertising for a man, and that man's name was Harrod. He worked in my office under my supervision, and it took him over two months to do it. We were then getting down to organization, as the old members had approved of this table, when it was noticed that there were two or three fake companies who had started out paying a hundred and fifty per cent.; and there was one organization in Chicago, which was a lottery company, pure and simple, conducting in the name of some investment company, and Mr. Thomas at Washington, the assistant Attorney General of the United States, debarred them from the use of the mails. Our company was not organized up to that time, we had just held informal meetings, and we thought it would be wise to submit our tables to Mr. Thomas.

By the COURT:

At this point of the proceedings counsel for the State objected to the introduction of the evidence upon the ground that it was generally irrelevant to the issues presented, and the court is of opinion that technically the evidence is irrelevant, and is therefore disposed to sustain the objection; but the counsel representing the defendant company state that if the statement now about to be made be permitted to go on the record that the company would be willing to pay the expense; and the court, in view of the fact that it is charged in the petition substantially that this company is organized upon a basis which means that their business consists of obtaining money from the public upon representations and promises which never can be made good, and in view of the possibility that this position taken by the State may be sustained, the court is of opinion that it is no more than fair to the defendant company and to the gentlemen who are interested in it, and that it cannot in *no* way prejudice the plaintiff to permit the statement to be made showing what investigation

was made by the directors of this company and what steps
92 were taken by them for the purpose of satisfying their minds that their plans of operation was a feasible plan in order that at least they might be acquitted of having knowingly entered on a series of operations which are held to be obnoxious by the charge contained in the petition.

By the COURT: Go on, Mr. Orme.

By the WITNESS: I went to Washington to see Mr. Thomas, and after my first conversation with Mr. Thomas——

By the ATTORNEY GENERAL:

Q. Did you go to see Mr. Thomas to know whether in his opinion this was obnoxious to the anti-lottery law?

A. Nothing in regard to the mails. I thought it would be the safest thing to have him pass his view on the company, and I thought it would also be good for the company if the people at large knew that it had been submitted at Washington. I went to Washington with the first table. It was made out on the basis of calculation of seventy per cent. redemption fund and twenty per cent. into the reserve fund; but before my departure, the charter we drew up, we decided to change it into sixty-five redemption and twenty-five per cent. reserve fund. When I called upon Judge Thomas he turned me over to two of his clerks in his office. I think their names were Hill and Haynes; to the best of my recollection, those were the names. These gentlemen went to the hotel with me to look over the plans and to report back to Mr. Thomas. It seems like there had been a great many bogus companies there whom Mr. Thomas had refused. Those two gentlemen (his clerks) spent about three hours, to the best of my recollection, investigating the table, and in my presence stated to Judge Thomas, and reported favorably upon the company, stating that it was nothing whatever like the organization of others that had appeared before that. Mr.
Thomas was not satisfied with their report, and took the
93 actuary table himself, and told me to call the next day. He kept them, holding the matter over several days, and when I pushed him for an answer, because it had been favorably reported upon by his clerks, he said, "My charter called for a 25% reserve fund and the tables only showed 20%;" and he said another actuary table would have to be made to correspond with the charter. I came back and had a second table made out, and I returned to Washington in company with Judge Rogers. This time we submitted the plans to Judge Thomas, and on every question that he brought up I answered him favorably, satisfactory, apparently, and in the different points concerned. He first said that the feature of seven months' redemption on my first visit appeared all right, as all investors were paid the same ratio, but the second table I submitted had some clerical errors that did not exactly balance, and all the profits from lapses and surrenders were thrown into the general accounts on an average basis that only showed in the aggregate, and I worked several days to balance this account, and de-

cided to consult an actuary and did so. There was one in Washington who gave me no satisfaction regarding the striking of a balance. He said he thought the plan entirely reasonable. I then went to New York and learned that there were only two consulting actuaries there, and one was Mr. W. D. Whiting, and I submitted the tables to him, and he carried them home with him and kept them over Sunday, and was to report to me on Monday. Mr. Whiting informed me that the tables appeared correct, but they were made out on an average basis, and actuary work would never balance unless it was done specifically, explaining the credit system and, etc., used by insurance companies. I went to the hotel and I worked two days on a small table that balanced perfectly, and I returned to Washington, and I submitted the same to Judge Thomas. I could not draw a positive answer from him, and he said, "He
94 could not understand how such profits could be earned, and any corporation, in his opinion, that paid over four per cent. dividend was a fraud on the face of it, as United States bonds bearing that rate of interest commanded a premium." He further said, "That if it were left to him he would close up every hotel in the United States that charged over two dollars and fifty cents per day board, as any charge above that was exorbitant, and that that was the cause of the ruination of the company." Now, when I returned to the city we received a letter from Judge Thomas, stating "that he would not grant us the use of the mails," though we called his attention to a company from, I think, which was formed in Florida on similar lines, and his reply was "that he had granted that company the use of the mails without further investigation; and as he had done so, he could not withdraw it. But he proposed to make all other companies fight him in the courts." Mr. Whiting, being one of the leading actuaries in New York State, stated to me that he considered simply on the face of it that a fifty per cent. return in six years, on a tontine investment, was a very reasonable amount, and basing on it the casualty, thought it was feasible, although he would not undertake to allow me to use his name in such a statement without a further investigation. He also cautioned me to be careful of the tables which had been made out on an average basis.

So, before organizing the company, on my return, I decided
95 to have three tables made out, treating each and every debenture separate, and I advertised for an actuary, and to this advertisement our present secretary replied and applied for the position, and I engaged him. I thoroughly investigated all the tables of life insurance companies, and I discovered that the straight-line life insurance companies, since their organization, have not paid to the policy-holders over fifty per cent. return for death risks, surrenders, and matured policies, and their expense account, from premiums received, run all the way from twenty-two to sixty per cent.; the average of the entire life-insurance business of the principal companies average 26% expenses. With the expense account, in comparison to the premiums received, I discovered that only about seven policies out of about one hundred issued on the tontine system for a twenty-year period reach maturity. This business, be-

ing monthly payments, was more on the order of the industrial business, and I discovered that the lapses and surrenders of some industrial companies were over a hundred per cent. per annum, the average being fifty per cent. The life policy that matures not only carries a risk for the insurer free, but pays, to my recollection, about two hundred per cent. profit. Yet they burn up twenty-six per cent. per annum for the expenses of conducting the business, and these profits had to come from somewhere besides for death risks. I knew it caused a loss in proportion to the amount paid in, and it was very often that these profits came from the tontine system, and I came to the conclusion that the prosperity of the East was greatly due to the large sums accumulated by the insurance companies, where money is plentiful to back enterprises, and I didn't see why the Southern States could not accumulate under the same system a reserve fund as well.

And the main point in question was to arrive at the time
96 of the investment that was practicable. I knew that homestead companies had paid a hundred per cent. dividend in less than twelve years, without any tontine feature, and we consulted the best attorneys that we thought were in town on the subject regarding the tontine feature and if it was lawful or not, and we received most favorable decisions from Messrs. Farrar, Jonas & Kruttschnitt, Farrar & Lemle, and Judge W. H. Rogers.

By Mr. RAINOLD: I object to him stating that.

By Judge ROBERS: That was before I was attorney?

A. Yes, sir.

By the WITNESS: As the insurance companies were either paying fifty per cent. to tontine investors of the premium receipts, I thought the method our business—they have to pay the expenses of physicians and large solicitors' fees. We eliminated that, and for that there could be deducted ten per cent., and thereafter we could make a return to the tontine investor in our company of ninety per cent. of the total premium receipts. The industrial companies hardly return over six per cent., and my object in organizing this company was simply to form a pure and simple tontine investment, without any other features to mislead the people, and, as the tendency at the time pointed to quick returns, I thought it better to make the period of a debenture at an age whereby fifty per cent. would be declared instead of making the investors carry it until a hundred per cent. was earned, such as the homestead companies; and this company was simply formed on a pure and simple tontine plan and the contracts with the investors made as simple as possible, the company guaranteeing a return of ninety per cent. of receipts. I suppose the court is familiar with the system of the tontine policy. For in-
stance, take a policy of $10,000.00, and it calls for a premium
97 of three hundred dollars, payable monthly. Under the tontine system $150.00 is applied to the risk and the other $150.00 is simply applied to the investment, and so it was simply the life feature that we wished to eliminate. As I had a tontine policy in the Manhattan, the oldest one I possessed, I wrote to that company

and asked them if they could tell me how much dividends I earned. I submit the reply, which was that the tontine policy issued and conducted in this State, and taking the same policy, except with the life portion eliminated (that is the letter from the Manhattan Company). I am speaking of the difference of the lapses of the tontine system, which is virtually lapses and surrenders in plain English. I submitted that to our company.

By the COURT:

Q. I understand what you want to say is that under the tontine system, as applied to insurance companies, that the lapses and forfeitures figure very considerably in determining what the profits would be to the survivor.

A. Yes, sir. I will state that a debenture company has one-half the lapses and surrenders of the straight-line insurance companies, or even less, from one to six years, and the plan is feasible, and if it is one-fourth or less of the industrial companies it is yet very feasible; and these were important factors which led me to believe that the six-year period was a safe guarantee, though the company took the precaution to amend its charter, so that in case of actual experience, if we found it was required—one or even two years more—we would not issue a policy with a six-year guarantee any more; but, as the company is so young and the older debentures get the greater the percentage of surrender, *and* we are yet inclined to believe the six-years period is absolutely safe.

98 Q. I am willing to admit that. Redemptions at six months and eight months and in fact one, two, and three years are expected to show an actual deficit in the operations of the company, but, as no policy is six years old, the liability has not reached maturity, and the question arises what the standing of the company would be when a debenture has reached that period.

A. The seven-month feature was introduced principally to start business even at a loss in the shape of an advertisement, the same as life insurance companies meet with losses as soon as they are organized, and so it is with fire insurance companies, and the majority of the board of directors thought that if no payments were made before six years people would be afraid to invest, otherwise the period would have been five years.

Q. I understand you to say that, in your opinion, this scheme could be operated successfully if you left out of the calculation the lapses and forfeitures?

A. No, sir; the table, figured on the length of time showing compound interest on reserve fund, is larger than that. For instance, the company don't get five per cent. out of lapses or surrendered policies, but we simply limit it to ten per cent. of the premium receipts. Now, the only way that the lapsed and surrendered policies affects the debenture company at all is the age that it guarantees as a feasible one. If there is a surrender of number, say, 11510 and it surrenders on 50c. on the dollar when it reaches maturity and it is not there, it brings the next number nearer.

Q. The funds that are at the disposal of the company for various

purposes are increased every time a holder forfeits the whole amount or fifty per cent. of that amount?

A. Yes, sir.

99 Q. And the amount that he forfeits becomes available for any purposes that the company desires?

A. No, sir; it don't show on the books; it only makes the six-year period practicable.

Q. One more question I want to ask you, whether, in your opinion, the scheme as propounded by your company and as operated would be successful without fines, lapses, and surrenders.

A. No, sir; I don't think it would be feasible, in my judgment. That is my personal opinion. I will state, at the age of a debenture being guaranteed at six years, I explain the position the company would be in. At that time the company would likely be twenty years of age and have its reserve fund computed with compound interest for that age, and I want to give a synopsis when a debenture reaches six years and what funds we would have to meet obligations with and why I consider a debenture practicable. Suppose five thousand debentures, maturing after carrying the full term, called for fifty per cent. of the profits, there are the reserves of the company to meet that liability. When such a time arises in the history you have a full ninety per cent. of the receipts, because it is necessary to add full- to the reserve fund. If not called for, you have the total interest that has accumulated from your reserve during the period of twenty years, which should amount to more than ninety per cent., receipts being computed at six per cent., and if these two funds, plus the money received from fines and interest on the reserve fund, is sufficient to redeem the debenture six years of age, the company is solvent; if it is one dollar less, the company is insolvent, and it is a question of what will the interest be at six years of age.

Q. It is necessary that you should compound the interest

100 at six per cent.?

Q. You have to fix it at some rate of interest that you expect to get?

A. Well, the tables were fixed at six per cent., and I spoke on that. It is just this: If the surrenders, for instance, out of those 5,000 debentures issued, 1895 and 1901—six years of age—the only one- due would be those issued that month. If the company had issued 10,000 that month and four thousand held on, of course we would have to pay, not fifty per cent. profit on the 10,000 issued that month, but on those maturing, would be the amount available to meet that liability, and still the company be solvent.

Q. If the whole 10,000 debentures, then, as I understand, demanded payment the reserves of the company would not be sufficient to meet them?

A. No, sir; I don't think so. But as a matter of fact it can be easily established on any class of investment that you can figure with certainty—a particular amount of investors who don't carry their investments out, and you can also figure on the basis of a great many forfeitures, and fire insurance companies figure on a certain

amount. That law can be established by mathematical calculation, and it don't cease to be an estimate, but it is a fact that actually exists.

Q. I ask you these questions because it has been argued here at the bar, and I heard it quite frequently, that the company didn't depend on fines, lapses, and surrenders, and that they were no advantages whatever, and I now learn from your testimony that they are absolutely necessary to the scheme.

A. I will be very candid, Judge. It has been brought up by myself in one of the directors' meetings, twenty or thirty days
101 ago, and some contended that it was not necessary if they could write a sufficient increase of business, and contended it would not be necessary to have lapses and surrenders; that the compound interest on the reserve fund would meet it.

Q. These tables that the company is working on were gotten up by you and the actuary?

A. Yes, sir. These people are as good mathematicians as myself, but I must confess that I don't agree with them. While the company don't make anything out of lapses and surrenders we disburse ninety per cent.

Q. Ten per cent. of the receipts are payable to the expenses of the company?

A. Yes, sir.

Q. And that don't include the commission to subagents who get business for the company?

A. No, sir.

Q. Therefore those commissions are over and above the ten per cent. I understand that the compensation that you give to your drummers and agents who solicit business is the first two dollars paid by the subscribers?

A. The company don't; the investor pays that himself.

Q. It's a part of the six-year monthly payment?

A. No, sir.

By the ATTORNEY GENERAL: This particular company changed that; they make him pay an extra two dollars.

A. We virtually pay out ninety per cent., and twenty-five per cent. belongs to the policy-holder and when the company reaches six years it has to pay out whatever it owes. In other words, the company guarantees to pay out or hold ninety per cent. for the benefit of its investors.

102 Q. I desire to interrupt you with a further question, but if you wish to make any addition to this statement now you can make it, and I will be glad to hear it.

A. These early redemptions were in the shape of advertisements to bring the company before the people, and with that loss sustained, the business being small in the beginning, it would amount to such a small percentage in the aggregate in the end. But the tables allowing only ordinary business, a majority of the directors favored that plan.

By Mr. RAINOLD: The court having ruled that the above and

foregoing statement made by the witness now on the stand is not to be considered as evidence offered by the State, and also having expressed the opinion that the opinions and statements of the witness which were made to him through third parties and by letters is not testimony in this case, the State does not, therefore, cross-examine the witness as to the opinions and statements made to him by third parties, and understands that the court don't require any evidence in rebuttal of those opinions and that evidence.

By Mr. RAINOLD:

Q. Now, Mr. Orme, I believe you stated that your company was engaged in the business of issuing debenture bonds.

A. Not bonds, but debentures.

Q. Do they issue more than one kind of debenture, or are all the debentures alike in their terms and amounts?

A. I believe that is true; different when the charter was changed.

Q. Have they ever issued any other kind of debenture except the one kind they originally issued?

103 A. I can't answer that question.

Q. You are chairman of the executive committee in charge of this business?

A. I know that we had debentures printed a great many times, and the charter was changed. I don't know whether on the application we put the amount paid, $2.00, as an initiation fee, or on the face of the debenture; I don't know.

Q. I hand you here a sample copy of the instrument issued by your company called "debenture," and I ask you whether this is the kind of debenture that your company has issued since the beginning and is issuing now.

A. I can't answer. I can't say whether it is identical or not—whether it was changed or not. I don't know whether the debenture was changed. I do know one debenture was changed, but I can't say which one.

Q. And, as chairman of the executive committee, you don't know any more about it than that?

A. No, sir; but if you desire it, possibly the secretary can tell you. I can't, and I don't care about saying something that I am not positive about.

Q. Then, you don't know what kind of an instrument called "debenture" that your company has issued?

A. I have got a pretty good idea; I have read it over several times, but whether there was a change in the debenture or application I don't know.

Q. As chairman of the executive committee, would you not know?

A. I devote very little time to this—a few minutes at a time.

Q. Then, you know very little about the actual business of the company?

A. No, sir; I know a good deal about the business of
104 the company, but for documents I have no time to give.

Q. The fundamental part of your business is in issuing these instruments?

A. I never issued them; I approved them. If it was changed two or three years ago I don't know.

Q. And you don't know what the changes are?

A. The only change I know is the $2.00 part of it; that is the only one I know.

Q. Now, Mr. Orme, let me ask you something about your scheme—actual facts in the case. The money you receive from the debenture-holders is divided in three parts?

A. Yes, sir.

Q. Sixty-five per cent. to the redemption fund?

A. Yes, sir.

Q. Twenty-five per cent. to the reserve fund?

A. Yes, sir.

Q. And ten per cent. to the reserve fund?

A. Yes, sir.

Q. The redemption is used for the immediate redemption of debentures, isn't it?

A. Yes, sir.

Q. The reserve fund is invested?

A. Yes, sir.

Q. That is twenty-five per cent.?

A. Yes, sir.

Q. And the ten per cent. expense fund?

A. That goes to the expense for conducting the business.

Q. When the capital stock is paid in do you put that amount in the reserve fund—actually the redemption fund—or the expense fund?

A. I suppose the capital-stock fund is a separate fund.

105 Q. But does any of the money paid in on capital stock, under your scheme, ever rebound to the reserve fund or the redemption fund?

A. I don't know; the secretary can tell you that.

Q. I thought you were the originator of the scheme.

A. That is simply a matter of book-keeping.

Q. You told me that you didn't know whether the amount paid in by the stockholders gets to the redemption, reserve, or expense fund.

A. I know it can't get to the redemption or the expense fund. If you ask me what I think, the company collects what is called the capital-stock fund.

Q. Have the debenture-holders any claim upon the money paid in into your capital-stock fund?

A. The capital stock of several corporations is liable for its indebtedness—of every corporation.

Q. Are you familiar with your charter?

A. To my best belief, I am; in detail perhaps I am not. I read it four or five times.

Q. You are familiar?

A. Not familiar in detail. I might refresh my memory on any-

thing you ask me. I drew up the original charter, with the assistance of Judge Rogers, and I submitted it to him.

Q. Then it is your impression that the amount paid in on capital stock goes to the reserve fund?

A. It is carried as an asset virtually for the debenture-holders.

Q. The first money paid in on capital stock—that five per cent. call—what was that used for?

A. The books will show.

106 Q. Wasn't it used for expenses?

A. I don't know.

Q. You don't know why that call was made?

A. Of course it costs something to organize, and you can't get printing and advertisement for nothing.

Q. Then the amount paid in on capital stock, the first call was used for expenses?

A. It was used for many things. I spent $800.00 out of my own pocket individually. That was the cost of going to Washington and the actuary fees and for tables. I shouldered the whole expense, and I had sufficient faith to put up my own eight hundred dollars, and the company returned it when it was organized, but not until then.

Q. Out of what fund did you get it?

A. I don't know; the books will show.

Q. Wasn't it returned out of the five per cent. call as soon as made?

A. I know I was credited with it; that was all.

Q. You don't know enough about the starting of your company to know whether or not the money derived from the first call was used for expenses? Is that your testimony?

A. Yes; of course. The *modus operandi* of operation has no need to pay out any money in the start. It is like a fire insurance company. They don't have to pay until there is a fire.

Q. Out of what funds are the dividends taken?

A. Out of the expense fund.

Q. And it is those dividends, taken out of the expense fund, which were used to liquidate the notes of the subscribers?

A. Yes, sir.

107 Q. So the shareholders only paid five per cent., and that went into the expense fund?

A. No, sir; whatever they paid belonged to the capital-stock fund.

Q. It was not used for expenses, that five per cent.?

A. I can't say. The secretary can give you detailed information.

Q. I understand you organized the scheme. You ought to know the kind of scheme it is.

A. I organized it to run under the provisions of the charter. I was the first president and I received not a cent. If you refer to the books you can find out; the secretary can tell you.

By the COURT:

Q. I would like to know a little more about dividends. While

that is clerical work, yet it seems to me that a member of the board of directors and the chairman of the executive committee, I suppose, should know where the dividends come from. I understood you to say that the source from which the dividends is derived is the amount saved out of the ten per cent. that goes to the expenses of the company?

A. Yes, sir.

Q. You are positive of that?

A. Yes, sir.

Q. Is that the only source that you know of?

A. Yes, sir; if we can keep our expenses down to within ten per cent. of the gross receipts.

Q. I want to find out whether the ten per cent., which by the scheme is to be ten per cent. of the gross receipts and which is to be appropriated to the payment of expenses, whether that is the whole source from which dividends are to be derived.

108 A. Yes, sir.

Q. What do you do with the interest on the accumulated capital stock?

A. It goes to the reserve fund.

Q. Is anything provided for that in the charter?

A. I don't know; it is my idea.

Q. This is a matter of surmise?

A. Yes, sir; I would like to ask the secretary if the charter don't provide that.

By the COURT: You say you don't know.

By Mr. RAINOLD:

Q. I am going to read article seven, which provides for the funds, and then perhaps you will be able to tell us where the money really goes. (Counsel reads art. 7 of the charter of the N. O. Debenture Redemption Co. of Louisiana, Limited.) Now, Mr. Witness, do you think under the charter that the interest on capital stock ever goes to the reserve fund?

A. Interest on capital stock?

Q. Yes.

A. Well, I don't know about interest on capital stock. I know interest on the reserve fund goes there; the judge asked me about the reserve fund.

By the COURT: No; I asked you where the interest on the capital stock went.

A. My idea is that it is credited to the stockholder.

Q. Well, that is another source from which a dividend can be derived?

A. Yes, sir.

Q. Then you were mistaken when you say that the only source is the ten per cent. of the receipts?

109 A. Yes, sir; I overlooked that.

By Mr. RAINOLD:

Q. But as a matter of fact, Mr. Orme, the only money actually paid in on capital stock was that five per cent. first call?

A. No, sir; a good many of them paid up in full.

Q. Didn't the majority of them borrow their money from the company with which to pay further stock?

A. I think the majority did. I suppose twenty-five per cent., in my judgment, paid it in full.

Case continued until Feb'y 1st, 1899, for further evidence.

WEDNESDAY, *February 1st*, 1899.

GORDON S. ORME, Esq., recalled.

Direct examination by Mr. RAINOLD:

By the WITNESS: I would like to make a statement in regard to a question you asked me yesterday. You asked me if I ever paid any interest on those notes if I gave it in cash. I said I had not. I have refreshed my memory in getting the check that I paid the company that you requested of me, and I notice they don't correspond with the one that the secretary gave me, but I said that the difference was for some interest that I paid him up in cash. It was so long ago that I didn't remember, but I have both checks that you requested.

Q. Is that the only interest you ever paid the company?

A. In interest; yes, sir.

Q. Mr. Orme, I'll keep your check until I get your check from the company. I guarantee it shall be returned after copies have been made in the record.

110 A. I would like to state to the court that in speaking to some parties yesterday they seemed to think that I left an erroneous impression in response to your honor's question. Of course, I have this thing distinctly with myself, and I naturally suppose that some people understand as much as myself about it. You asked me the question if I thought the contract — the company was selling the debentures—if it would be practical without any lapses or surrenders. I answered, No; strictly referring to the six-year contract. I previously explained by my tables, by arriving at the six-year period of contract; -ut was taking the lapses and surrender*ders* into consideration, but, of course, a debenture can pay itself out without lapses and surrenders. When I made that statement, that lapses and surrenders were necessary, I referred strictly to the six-years contract.

By Mr. RAINOLD: To which testimony counsel for the State of Louisiana now reserves a bill of exceptions.

By the COURT: The State has made no objection to this testimony.

By Mr. RAINOLD: It was made after Mr. Orme finished his statement entirely.

By the COURT: The court has no objection to your reserving a

bill of exceptions or whatever it might be; but the court didn't understand that the testimony was objected to; this is given by him in answer to a question I asked him at three o'clock yesterday afternoon, long after he made his explination.

By Mr. RAINOLD: To which testimony being given voluntarily by the witness without any questions from the State the State object *that* upon the ground that it is the mere opinion of the wit-
111 ness as to the feasibility of the plan which he says he has perfected; that he has not testified prior to any plan or submitted any table, but merely as to his opinion or deductions derived from tables which he said he had made, and as such this testimony is not admissable. It is irrelevant and immaterial.

By the COURT: The court overrules the objection, understanding that the witness makes this statement as the result of a mathematical calculation, and the court being of the opinion that whilst it might be shown by further examination of the witness or by examination of the other witnesses that those calculations are incorrect, the court is nevertheless of the opinion that the testimony is competent.

Counsel for the State of Louisiana reserves a bill of exceptions and make this note in lieu of a formal bill.

By the COURT:

Q. Now, Mr. Orme, let me ask you: It still remains a fact that from the organization of the company up to the present time it has been conducting its operations upon a basis which is inpracticable unless the surrenders and lapses are taken into consideration?

A. That is my opinion.

Q. And that is also the result, as I understand you, of your mathematical calculation?

A. Yes, sir; of course. In speaking yesterday I was referring strictly to the six-year contract, and how we reached the six-year contract was by taken into consideration the lapses and surrenders.

Q. Your opinion is now that on the basis you are now
112 doing business that the scheme will work out?

A. Of course, anything will if you give it time.

By Mr. RAINOLD:

Q. Now, Mr. Orme, you have testified pretty fully as to the way this capital stock or the amount subscribed has been paid up. I would call your attention to the representation in your circular, say circular marked "P 5," where you advertise "Capital paid up, $50,000.00." Do you think that representation to the public is true, when you consider your testimony in this case?

A. Yes, sir.

Q. Is that a sample of the fairness of your representations to the public?

—. Certainly; I consider it as such, and I think every man there is liable for his note, and I don't think if they had a note in bank that there is any bank that would not discount it. I consider the portfolios of some of your stockholders as good as the banks.

Q. Well, is it more true than if the capital stock had not been paid up by subscribers?

A. It would simply then be a matter of subscription. A man is liable under the law for his subscription, and if he is a man of assets, why, then, the creditors could seize it.

Q. Please explain how the company is in better condition if it don't call in ninety per cent. of its subscription or calls it in and immediately loans it to the stockholders and takes their notes instead.

A. It is a question at issue between you and me. You can figure as well as myself.

Q. You say you have made representations to the public, and I am trying to give you a chance to explain those representa-
113 tions to the public.

By Judge PIERSON: This is a question which involves a matter of argument and not ascertainment of the fact to be ascertained from this witness.

By Mr. RAINOLD: Objection having been made by counsel for the defendant to the State interrogating this witness as to the representations made to the public and their fairness, and to the State giving the witness an opportunity to explain anything he may desire in regard to the representations made to the public, the State now discontinues that line of investigation.

Q. Have you produced the Waiss contract, Judge Rogers?

By Judge ROGERS: Yes.

Q. And the minutes?

By Judge ROGERS: Yes.

By Mr. RAINOLD: Counsel for the State of Louisiana now offer, produce, and file in evidence a duplicate of the contract made between the N. O. Debenture Redemption Co. of Louisiana, Limited, and A. S. Waiss, on the 15th of October, 1894, which is marked "P 25."

By Mr. RAINOLD:

Q. Mr. Orme, out of what fund was the twenty cents on each debenture paid to Dr. Waiss?

A. The first organization of the company—out of the reserve fund.

Q. Was it ever paid out of any other fund?

A. I really can't answer that question. I don't think so.

Q. Don't you give personal supervision to all this business?

A. Not that detail.

Q. What detail do you attend to?

114 A. Such matters as come up in the directors' meetings. You are speaking of many years ago, and without referring to the books I think it was paid out of the reserve fund. Whether it was returned to the reserve fund, I can't say. The secretary will have to tell you that.

Q. Did you ever give your personal attention to any management of this company?

A. As it came up? I don't remember. You must remember there was so many details transpiring in the company; contracts were changed and modified. I can't remember those things from memory. We have had five or six contracts which were changed with one man since then, and I can't remember the changes in the contract.

Q. I find that on October 15th, 1897, the board of directors passed a resolution in regard to the final disposition of the contract made with Dr. Waiss. Do you remember that, Mr. Orme?

A. Not unless you read it to refresh my memory.

By Mr. RAINOLD: I now offer, produce, and file in evidence the following report and resolution passed by the board of directors of this company, passed on the 15th of October, 1897, which reads as follows:

"Special committee on Waiss royalty contract reported that they had effected the following offer from the Waiss estate of royalty contract to be surrendered and cancelled, and a receipt in full given as commisssions to agents for all amounts heretofore paid by the company under said contract, and a release of all future claims under same; in consideration of which the company is to give seventy-five shares of full paid-up stock. The report was received, and on motion of Mr. Orme, seconded by Mr. Byrne, it was
115 decided to accept this offer, and the president was authorized to have prepared and executed all papers and documents needed in the premises, it being understood that the seventy-five shares of stock shall be the stock now held by the estate of Waiss—A. S. Waiss and Theodore D. Waiss—and any amounts already paid on same to be refunded."

Q. This is the resolution, isn't it?

A. Yes, sir.

Q. Is that stock issued to the estate of Waiss as full paid?

A. I can't answer that question.

Q. Were you not president at that time?

A. No, sir.

Q. What was your position at that time?

A. Either a director, vice-president, or something. I know there was some talk about giving the Waiss estate cash or money, and whether they gave cash or stock or what I can't say; the books will show that.

Q. Didn't you say you gave personal supervision to this business; didn't you say so?

A. I can't speak of details from memory.

Q. Then you can't tell us whether this stock was ever delivered to the Waiss estate?

A. No, sir; I don't know; I didn't deliver it. I can't tell you anything about it.

Q. What does the resolution mean by the words "any amounts already paid on same to be refunded"?

A. On the original subscription the Waiss family had to pay some cash; that was cash in ten per cent., as the others had to do.

Q. Did they pay that?

A. The five per cent. and a note. I don't know, but I
116 judge the sense of the resolution speaks for itself.

Q. I ask you as a director and a man whom I understood gave some personal attention to this business.

A. I gave all the time I could, and that is the reason I didn't accept the presidency.

Q. You didn't give any personal attention to it at all?

A. I did when it came up. I offered the resolution, but the actual facts the secretary of the company can give you, and I won't answer unless I am positive. I won't say he got that stock. I didn't deliver it, and I didn't give it from my hands. The actual facts the secretary can verify by the books.

Q. You didn't know whether this money was paid to Dr. Waiss or not—you never heard of it?

A. I don't remember whether it was paid in cash or stock. That motion you read—Judge Rogers says "neither."

Q. You offered this resolution; you certainly know what it means by "any amounts already paid on same to be refunded."

A. Yes, sir.

Q. Don't it mean that everything he paid to the company should be given back to him?

A. Yes, sir.

Q. Wasn't that your understanding?

A. If he understood it that way, but there were two parties to that contract.

Q. You attended all the meetings?

A. Yes, sir.

Q. You have no recollection how this contract was closed out?

A. No personal recollection; except I know it was closed out satisfactory to the board, and that is all I can tell you.

Q. As I understood you to say, Mr. Orme, in your testi-
117 mony yesterday that your redemptions at seven months was at a loss?

A. At a loss to the operations of the company at such time.

Q. Well, is it a loss at eight months?

A. Yes, sir.

Q. Is it a loss at nine months?

A. I stated the tables I figured, to make a long story short, show that monthly redemptions created a loss to the company two or two and a half years, but after that the profits maturing were sufficient to compensate for the loss, and bring the company out in a solvent condition at the end of the six years' contract.

Q. On all debentures?

A. I judge so.

Q. How much they were and the size of the profits you calculate on?

A. Of course.

Q. If you made an error in a profit you wouldn't earn, your calculation would count for nothing?

A. I believe all mathematical calculations have to use some basis

of calculation to work upon; that is a fact. If a calculation shows an estimate of a thousand men will die, and out of one hundred thousand men should die, and the entire 100,000 should die, they would be in a bad fix.

Q. Just answer my question.

A. Yes, sir.

Q. So you assume a certain amount of profit you expect to make and base your calculation upon that expectation?

A. I *cannot* my own business in the same manner and on the same theory.

By the COURT:

Q. Are you an actuary?

118 A. No, sir; not by profession.

Q. You consulted Mr. Whiting in New York?

A. Yes, sir.

Q. Is he a man of reputation?

A. Yes, sir; there are two in New York who stand at the head of the list; one is Mr. Fulton. I first called on Mr. Fulton and he was so busy that he could not give me any attention. Mr. Whiting is recognized as one of the leading actuaries in the United States.

Q. When Mr. Whiting refused to endorse your scheme didn't it rather seem to shake your confidence in it?

A. He didn't refuse to endorse it.

Q. Didn't you testify on yesterday that he refused to endorse it and to let you use his name to your scheme?

A. I was talking to him personally if he thought it was practical. I asked him if he thought it reasonable for a tontine investment to pay fifty per cent. in six years, and he said, simply taking the statement as a whole, I would say that was as we figured it.

Q. Didn't you testify that you submitted your tables to him?

A. He just simply took the tables as a whole, and he said he would take them home—that it would take him several months to go over those tables; that he didn't have time to go over them.

Q. And he took them over Sunday to his house and brought them back Monday and told you he could not allow you the use of his name?

A. He could not allow me his endorsement unless he figured it out in details. He said, on the simple proposition, without any figures attached to it whatever, he considered it reasonable to pay fifty per cent. profit on a tontine investment in a period of six years, and he gave me every encouragement and reason to believe it was feasible.

119 Q. You only submitted him a part of your scheme. Was that the whole of your scheme?

A. No, sir; I submitted him the whole book.

Q. Does that proposition contain that scheme to pay fifty per cent. profit on a tontine investment at the end of a period of six years?

A. The book that I submitted was estimating commissions at seven months, terminating at a period of six years.

Q. And it was on that that he refused to allow you the use of his name as an approval?

A. I suppose he wanted to be paid for it and it would take him months to work out. He only spoke of the proposition as a whole.

Q. And on the proposition taken as a whole he refused to allow you to use his name as an approval?

A. He told me it was reasonable.

Q. You fail to answer the question. I ask you now whether or not you testified yesterday that having submitted your plan of operations to him and he, taking your papers to his house, kept them over Sunday and brought them back on Monday and said, "He would not allow you to use his name as endorsing it"?

A. Yes, sir.

Q. He did do that?

A. Yes. I think it is proper to state in connection with that that of course these men's name and reputation are worth a great deal of money to them, and as an advertisement I have no doubt the company would be willing to pay a thousand dollars. He would not allow me to use it as an advertisement. He is a consulting actuary and he runs an office for pay, and he didn't want us to use it as an advertisement unless we paid for it.

Q. Then whatever opinion he gave you upon the matter was predicated upon a certain investment—that is to say, it was not predicated upon the investment you now follow?

119½

A. Just on his knowledge of tontine matters. A tontine investment bases on six years' profits. That was based on that, and he said it was reasonable.

Q. I'll ask you again. Does that proposition embody the whole scheme upon which your company had been working?

A. With monthly redemptions; yes, sir.

Q. Are they important?

A. Yes, sir.

Q. Then the proposition didn't embody the whole scheme?

A. Yes, sir.

Q. He was not referring to the scheme you represented, but some other scheme?

A. No, sir; he had the book showing monthly redemptions in his hands, and I asked him, "Of course, Mr. Whiting, there is a great deal of mathematical work connected with this, but do you think from your knowledge—do you think this is reasonable?" and he said, "It was."

Q. How much did you pay him for his opinion?

A. Just for that information I paid him seventy-five dollars. He took it home over Sunday, and he told me I could not get a balance-sheet from my work unless I worked out each month's work separately.

Q. In the course of your investigation of this matter did you find any actuary who was willing to allow you this scheme?

Q. I didn't find any.

Q. Did you consult one in Washington city?

A. Yes, sir.

Q. Did he allow you the use of his name?

A. Well, I went to an old clerk of insurance companies,
120 and when Judge Thomas demanded that the table I submitted should balance I went to him to find out how to make it and why it didn't balance, and after two days having the book he was unable to show me why it didn't balance and I went to Mr. Whiting to find out whether my work was in error, that it would not balance, and the other conversation was casual afterwards, and it was for that information that I paid him the seventy-five dollars.

Q. Then, when you went to Mr. Whiting it was not your purpose to get him to figure out the feasibility of this scheme?

A. No, sir.

Q. And you didn't pay him the seventy-five dollars for his advice upon its feasibility?

A. No, sir.

Q. And the remark you made to him was only casual? Did he think fifty per cent. on a tontine basis was fair and reasonable to guarantee in a period of six years?

A. I tried to get such information as I could. I knew he was a man of great experience on these matters.

Q. You didn't pay him for that advice?

A. No, sir; he wouldn't allow his name to be used.

Q. You said to him, "Mr. Whiting, do you think it feasible to allow fifty per cent. on a tontine investment and to guarantee it in a period of six years"?

A. Just casually; yes, sir.

By Mr. RAINOLD:

Q. As I understand your testimony, you simply said to Mr. Whiting, "Mr. Whiting, do you consider it safe to promise a profit of fifty per cent. in six years on the tontine plan"?

A. I didn't say it in that manner.

Q. How did you say it?

A. I had the book in my hand and I said, "Mr. Whiting,
121 do you think we are safe on this plan of operation, to guarantee fifty per cent. profit after a period of six years?" and he said, "Taking the proposition as a whole, I would say any tontine investment to pay only fifty per cent. profit in a period of six years such as you operate is safe; but, understand, I would not allow the use of my name as an advertisement unless this office actually works it out to its satisfaction, and then I will give my endorsement."

Q. And he likewise told you and gave you to understand that your calculations were not worked out in detail, and being based upon averages, they were very unsafe?

A. Yes, sir; and I returned and had one made by Mr. Williams in detail, and if it was spread out it would almost cover this floor.

Q. Returned where?

A. To New Orleans.

Q. Did you ever submit that to Mr. Whiting?

A. No, sir; to go over it would take a month.

Q. Now, who is Judge Thomas that you refer to?

A. He was the Assistant Attorney General of the United States at that time; I believe — the Post-office Department.

Q. What was your purpose in going to Washington to see him?

A. I stated that he had thrown a good many companies out from the use of the mails, and we saw that daily in the papers, where there was a big row kicked up by some of them on account of such action, and we thought it best to go and submit these statements to him, thinking he would also help if we could get such a thing to the public, but Judge Thomas until he left his office would not allow any of the companies that did not deal in actual goods to use the mails, except those that he gave permission beforehand.

122 Q. I asked you the purpose of going and seeing Judge Thomas.

A. I explained it.

Q. Wasn't it for the purpose of getting the use of the mails and to prevent adverse action on the part of the Government in refusing the mails to your company?

A. Yes, sir; he threw out fifty or sixty at one clip.

Q. He threw them out because he thought they were operating in violation of what is called the Federal anti-lottery law?

A. He threw them out on anything.

Q. Without rhyme or reason?

A. Yes, sir; unquestionably so.

Q. You went up there to satisfy him that your scheme was all right?

A. Yes, sir; and the two clerks in his office—mathematicians—were satisfied and notified him of their approval in my presence.

Q. He told you he refused you the use of the mails?

A. Yes, sir; to allow us the use of the mails on any lines of that character.

Q. You didn't satisfy him?

A. No, sir.

Q. Although you satisfied two clerks in his office?

A. Yes, sir; and Judge Thomas afterwards sent two United States officials to the office to investigate the office, and they made a favorable report.

Q. How do you know?

A. They so stated to the secretary.

Q. You never saw the report. You were told by the secretary that they told him that a favorable report was made.

A. I think I saw the report, if I am not mistaken.

Q. You might be mistaken; at any rate, you never saw the report?

123 A. No, sir.

Cross-examination by Judge PIERSON:

Q. Upon all your investigations before the organization of this company were you satisfied of the feasibility of the plan that was carried into execution by the company?

By Mr. RAINOLD: Counsel for the State of Louisiana objects on the ground that it calls for the idea or opinion of the witness, and such opinion is not relative to the issue.

By the COURT: The court considers that an answer to this question would be in the nature of the statement made by the witness yesterday and permits it; to which ruling of the court counsel for the State reserves a bill of exceptions and make this note in lieu of a formal bill.

A. I would not have been a party to its organization unless I had been satisfied.

Q. How long had you been investigating the plans under which the company was organized?

A. Off and on for two years.

Q. Did you satisfy your mind before you consented to go into this organization?

By Mr. RAINOLD: Same objection.

A. Yes, sir.

Q. You are satisfied of it in your mind before you went into it?

A. Yes, sir.

Q. Was this the case with the other subscribers who went in with you to organize this company?

By the COURT: I don't see how it is possible for him to answer this question.

124 Q. Now, to your knowledge, was there any intent by you of any other member to organize this company for the purpose of cheating or defrauding any person?

Mr. RAINOLD: Same objection.

A. No, sir; I felt that I was good for my subscription to the capital stock, and if the company was a failure I would lose it.

Q. We will reach that point directly. You know of no such intention on the part of any subscriber at the time of organization?

A. No, sir.

Q. And apparently there was no such intent existing?

By the ATTORNEY GENERAL: I object. The witness cannot know the intention of others.

By the COURT: The objection to that question is well taken, Mr. Pierson.

By Mr. PIERSON: I reserve a bill to the ruling of the court.

Q. In relation to the call for the balance of the capital stock, Mr. Orme, I understood you to say on yesterday that the call was made at one meeting and that at the following meeting the resolution to

loan the stockholders money upon their stock was passed—passed at a subsequent meeting. Is that correct?

A. To the best of my memory, yes; but you better refer to the minutes as positive.

Q. At the time the resolution was passed calling for the payment of the balance of the stock, Mr. Orme, was there anything in contemplation in regard to the loan?

By Mr. RAINOLD: Counsel for the State of Louisiana objects that the witness cannot know what was in contemplation in the minds of his brother directors and that was in his own mind, being no more than contemplation, and it is not evidence.

125 By Judge PIERSON: We don't care to press the question. The answer is conceded in the objection.

By Mr. RAINOLD: The State of Louisiana concedes nothing.

By Mr. RAINOLD: I call on the company for the check given Mr. Orme. Have you got it, and also Mr. Byrne's check and the company's check given to Mr. Byrne?

Counsel for the State of Louisiana now offer, produce, and file in evidence a check of Gordon S. Orme, dated June 14th, 1897, made payable to the N. O. Debenture Redemption Co., Limited, for $2,266.67, which the witness has produced in answer to the call, and which is marked by the bank as being paid on June 16th, 1897, which appears from the statement on the back has been deposited for account of the defendant company June 15th, 1897, and which is marked "P 26."

Also offer, produce, and file in evidence the check given by the N. O. Debenture Redemption Company of Louisiana, Limited, to Gordon S. Orme, which check is dated June 14th, 1897, being a check on the Louisiana national bank in the sum of $2,250.00, which is stamped as being paid on June 15th, 1897, and on the reverse it appears to have been deposited on June 14th, 1897, and the same is marked "P 27."

Also offer, produce, and file in evidence the check *the check* of H. B. Byrne, dated June 15th, 1897, payable to the N. O. Debenture Co., Limited, in the sum of $2,266.25, which appears to have been paid by the stamp of the bank June 16th, 1897, and on the reverse thereof the stamp "Whitney national bank, June 15th, 189–," as being the date on which it was deposited for collection, which is marked "P 28½."

Also offer, produce, and file in evidence the check of the N. O. Debenture Redemption Company of Louisiana, dated June 15, '97, payable to H. B. Byrne in the sum of $2,250.00, which is marked on the back, for deposit, H. B. Byrne, and is stamped by the

126 receiving teller of the Hibernia national bank as being received on June 15th, 1897, and which is marked "P 28."

J. P. WILLIAMS, Esq., sworn on behalf of the State, testified as follows:

Direct examination by Mr. RAINOLD:

Q. You are the secretary of this company—the New Orleans Debenture Redemption Company of Louisiana, Limited?
A. Yes, sir.
Q. How long have you been the secretary?
A. Since the organization.
Q. Up to the present time?
A. Yes, sir.
Q. Is that your official title?
A. Yes, sir; secretary and treasurer.
Q. The two offices combined?
A. Yes, sir.
Q. How much of the original stock of this corporation was subscribed for?
A. Fifty thousand dollars.
Q. Was any call made upon the subscribers at all?
A. Yes, sir.
Q. When was the first call?
A. September 24th, 1894.
Q. How much was that call?
A. Ten per cent.
Q. Was that paid in cash by all the subscribers?
A. It was left optional with the subscribers to pay 10 % cash or five per cent. cash and five per cent. in a demand note.
Q. How much was paid cash?
A. The call read first five per cent. on October 1st and the second five per cent. November 1st. The first payment or installment on the ten per cent. call was made by each and every sub-
127 scriber.
Q. So that amounted to how much, five per cent. on $50,000.00?
A. Twenty-five hundred dollars.
Q. So the company received $2,500.00 from the subscribers cash?
A. Yes, sir.
Q. When was the balance of the call paid, if paid?
A. November 1st.
Q. How was it paid?
A. Some in notes and some cash.
Q. Give us the amount paid in cash and the amount paid in notes.
A. I haven't got that down in my mind.
Q. Refer to your books.
A. A hundred and fifty dollars was paid cash and the balance was paid by note, $2,300.00.
Q. It was paid by notes?
A. Yes, sir.
Q. $2,350.00 was paid by the subscribers giving their personal notes?
A. Yes, sir.

Q. Were these notes ever paid by the subscribers?
A. Yes, sir.
Q. In cash?
A. Yes, sir.
Q. All paid in cash?
A. Yes, sir.
Q. You are positive of that?
A. Yes; perfectly.
Q. None was paid by dividends declared by the company?
A. No, sir.
Q. Then the company did eventually receive $2,350.00 in cash?
A. Yes, sir; with the interest.

Q. Was any call made?

128 A. Yes, sir.

Q. A call for ninety per cent., as shown by the board of directors' resolution?

A. No; the resolution calling for ninety per cent. calls for eighty-five per cent., because there was a dividend of five per cent. declared from the earnings of the expense fund.

Q. What date?
A. April 1st, 1897.
Q. That was previous to the call?
A. Of the unpaid balances.
Q. At that date were any stockholders' notes in existance for the five per cent. call?
A. Yes, sir.
Q. Did you pay that dividend in cash?
A. It was credited to their subscription.
Q. For those notes given for the five per cent.?
A. No, sir; the credit makes fifteen per cent., and a call of eighty-five per cent. unpaid balance.
Q. In other words, you credited that dividend of five per cent. on account of their subscription, but didn't cancel any of the notes you held at that time?
A. Not from that dividend.
Q. Did you ever cancel any notes from any other dividend?
A. No, sir.
Q. After that call of eighty-five per cent. was made, I understand a subsequent resolution was passed allowing the subscribers to borrow ninety per cent. of the face value of the stock from the company. Is that correct?
A. Yes, sir; that is correct.
Q. At the date of paying this last call, how many of your stockholders availed themselves of the privilege extended them

129 by the company to borrow the ninety per cent.?

A. Do you want that in detail?
Q. The number and amount will do.

By Judge ROGERS: I think you better give it in detail. I'll read the names of those who did not.

Q. Give first the aggregate of the number of stockholders, the number of shares held by each, and then detail if you wish.

A. There were five hundred shares of stock held by the following parties. Do you want that list?

Q. I want to know how many of the subscribers of stock availed themselves of the privilege of borrowing ninety per cent. at that time when the company exacted the balance due on the stock under this resolution.

A. All, except seven.

By the COURT:

Q. How many were they?

A. Twenty-eight.

Q. You say twenty-eight stockholders, holding how much stock?

A. Five hundred shares.

Q. Availed themselves of the privilege of borrowing?

A. No, sir; twenty-eight stockholders in the aggregate.

Q. Twenty-one stockholders then borrowed?

A. Yes, sir; twenty-one stockholders.

Q. And they held how much stock?

A. Four hundred and twenty shares.

Q. Twenty-one stockholders holding four hundred and twenty shares availed themselves of the privilege of borrowing from the company?

A. Yes, sir.

Q. And seven, as holding the balance, did what?

A. Nothing; didn't borrow anything.

By Mr. RAINOLD:

Q. They paid up in full, holding eighty shares?

130 A. Yes, sir.

Q. They actually paid in cash into your company without borrowing anything?

A. They have never borrowed anything.

Q. And they paid on eighty shares; that would make $8,000.00, would it not?

A. Yes, sir.

By the COURT:

Q. Do you mean to say they paid a hundred per cent. of their subscription in cash?

A. They paid eighty-five per cent. of unpaid balance and they paid the other before.

Q. They paid ninety-five per cent. in cash, those seven holding eighty shares, and they received five per cent. in dividends?

A. Yes, sir.

By Mr. RAINOLD:

Q. On the first call you received five per cent. in cash?

A. Yes, sir.

Q. And on the next call you received one hundred and fifty, cash and notes. What was the fifty, notes?

A. Yes, sir.

Q. Were they subsequently paid?

A. Yes, sir.

Q. Then seven other holders holding eighty shares paid eighty-five per cent. in full without borrowing?

A. Yes, sir; eighty-five per cent. in full.

Q. Six thousand eight hundred dollars?

A. Yes, sir.

Q. And the other twenty-one subscribers holding four hundred and twenty shares availed themselves of the privilege of borrowing money?

A. After they paid up their stock.

131 Q. Well, they borrowed the same day they paid?

A. Not all.

Q. Mr. Orme did?

A. Yes, sir.

Q. And Mr. Byrne did?

A. Yes, sir; those that wanted to did.

Q. Which ones didn't borrow on the day they paid?

A. I don't recall; there was several.

By the COURT:

Q. A considerable number?

A. No, sir; only a few.

Q. In the majority of instances the checks given by the company were paid before the checks given by the stockholders of the company in payment of the subscription?

A. I don't know, Judge.

By Mr. RAINOLD: I ask for the production of the checks.

Q. Have you the dates in your book when they paid up the balance on the stock?

A. Yes, sir.

Q. Will you refer to that book and give the dates?

A. I can give the date when the several checks were deposited in bank; that will about cover it, won't it?

Q. Yes, sir.

A. On May 26th deposited check of Gustave Kahn, $2,125.00.

Q. Only those that made the loan. For instance, the check of L. S. Graham. When was his check paid?

A. It was deposited June 18th.

By Mr. RAINOLD: I now offer, produce, and file in evidence on the part of the State of Louisiana the check made by the N. O. Debenture Redemption Co. of Louisiana, Limited, to Mr. L. S. Graham, dated June 18th, 1897, for $1,800.00, and endorsed

132 with the stamp of the clearing-house June 21st, 1897, marked "P 29."

Q. Now, give us another, J. P. Williams, your own.

A. That was deposited on June 23rd.

By Mr. RAINOLD: I now offer, produce, and file in evidence check of the N. O. Debenture Redemption Co. of Louisiana, Limited, given to Mr. J. P. Williams by the company, dated June 23, '97. I offer the endorsement and everything thereon, which is marked "P 30."

Q. Take Dr. A. S. Waiss for instance. When was that check deposited?

A. On the 23rd of June, 1897.

By Mr. RAINOLD: I now offer, produce, and file in evidence on the part of the State of Louisiana check given by the N. O. Debenture Redemption Co. of Louisiana, Limited, check given to Dr. A. S. Waiss, dated June 23rd, 1897, and the endorsements thereon, marked "P 31."

Q. Now, can you point out any to whom you didn't give checks on the date you received checks from them without going any further through this list?

A. I didn't make any note.

Q. Isn't it a fact, then, and within your knowledge, that as soon as you received the check in payment of this eighty-five per cent. call you had them execute a note on the same day, and you gave them the company's check on the same day, those who borrowed?

A. No, sir; to the best of my recollection, they all executed the note the same day they gave us the check.

Q. Yes, sir.

A. No, sir; I can't say they all did that, but they had a right to do it under the call.

Q. Did they all do it?

A. I am under the impression that William Laughlin did, and I am also under the impression that Captain Smith did.

Q. You are under the impression no others did?

A. Yes, sir.

133 Q. Those that didn't execute their note the same day, didn't they execute their notes shortly afterwards, and make the loan?

A. Yes, sir.

Q. And the rest of them did make loans on the same day that they paid the company; are there any others?

A. None of them that I recollect.

Q. At any rate, a great majority of them made the loan on the same day that they gave their checks and got the check of the company, and you immediately handed them the check back again?

A. Yes, sir.

Q. Of those twenty-one, did they all borrow ninety per cent.—up to the full limit?

A. No, sir.

Q. How much did they borrow in the aggregate—how much money?

A. With a *view of* exceptions, they borrowed up to the limit.

Q. Well, how much did it amount to—the amount they borrowed on those notes—the total amount?

A. I will have to refer to the books; that appears to amount in the aggregate to the sum of $20,000.00.

Q. Is that exact?

A. Not exactly.

Q. Will you give the exact amount? I would like to be particular on this point.

A. Thirty-one thousand three hundred and twenty-six dollars.

Q. That is the amount borrowed by the stockholders under the resolution allowing them to borrow ninety per cent. of the face value of their stock?

A. Yes, sir.

Q. This money was loaned to the stockholders out of what fund, did you say?

A. Out of the reserve fund.

Q. Out of the reserve fund?

134 A. Yes, sir; the resolution read that way.

Q. Now, you took notes of the stockholders, secured by their shares of stock which had been issued to them. I understand that these loans were made, on what rate of interest and what were the terms of the notes?

A. They were demand notes, bearing six per cent. per annum interest.

Q. Have any of those notes ever been paid?

A. Yes, sir.

Q. In cash?

A. Yes, sir.

Q. How many?

A. There have been so many paid. Every time there has been a transfer of stock the notes had really to be paid; there were so many transfers.

Q. When you made a transfer and called them paid, you immediately make a loan to the new transferee for the amount due?

A. If they want it.

Q. Did they want it in all cases?

A. No, sir.

Q. In how many cases did they want it?

A. There has been so many transfers of stock that I really can't say how many did and didn't.

Q. In the majority of cases didn't they continue the loan?

A. Yes, sir; in a majority of cases they continued the loan, and made new loans to those, and in some cases they didn't.

Q. In very few they did not?

A. There was a few.

Q. What do you call a few? I want to get your idea.

A. One would be a few.

Q. You must have a general idea?

A. I can tell you now what is the loan on stock.

Q. Before we get to that, of course you have credited these

135 notes as you went along with dividends?

A. Yes, sir.

Q. You told me about dividends that was declared by the company, a dividend of five per cent.?

A. Yes, sir.

Q. Of date September 1st, 1897? Now, give me the dates and amounts of subsequent dividends, please.

A. October 1st, 1897, dividend ten per cent.
January 1st, 1898, dividend five per cent.
April 1st, 1898, dividend five per cent.
July 1st, 1898, dividend five per cent.
October 1st, 1898, dividend five per cent.
January 1st, 1899, dividend five per cent.

Q. Is that all?

A. Yes, sir; that is all.

Q. So, then, your company has declared upon its capital stock dividends amounting to forty per cent. Is that correct?

A. Correct. Five per cent. on subscriptions and thirty-five per cent. since the stock was issued. That is the first dividend, April, 1897, which was credited on the subscription.

Q. Is it forty-five per cent. altogether or forty per cent.?

A. Forty per cent.

Q. The first subscription dividend was credited immediately upon the subscription?

A. Yes, sir.

Q. And it left only 95 % of the subscription in force, except where something was paid on account?

A. It left eighty-five per cent.

Q. Because ten per cent. had already been paid?

A. Yes, sir.

Q. It left eighty-five per cent.?

A. Yes, sir.

136 Q. Now, these other dividends, in the case of borrowing stockholders what was done with them?

A. What was done with the dividends?

Q. Yes.

A. Those notes read payable on demand, bearing six per cent. interest, with endorsement and a special agreement on the reverse.

Q. Have you got that special agreement?

A. Oh, yes. (Witness hands note to counsel.)

By Mr. RAINOLD: Counsel for the State of Louisiana now offers, produces, and files in evidence a note signed by J. P. Williams, dated June 23rd, 1897, given to the N. O. Debenture Redemption Co. of Louisiana, Limited, being given by him for the loan from the company on his stock, the original to be withdrawn by Mr. Williams immediately and a copy to be furnished in its stead, and counsel for the State of Louisiana specially offers the following agreement, endorsed on the back of the note:

"This note is secured by pledge of twenty-five shares of the capital stock of the New Orleans Debenture Redemption Company of Louisiana, Limited, and it is specially agreed that any dividends

that may be declared on said stock shall be applied to the payment of interest and principal that may be due hereon.

"(Signed) J. P. WILLIAMS."

Interest paid to October 1st, 1897	$38.25
By dividend	21.75
Interest to June 1st, 1898, paid by dividend	94.42
Balance	1,943.83

By the WITNESS: There are other endorsements to be made upon this note not yet on the back of the note.

Q. Please dictate the other endorsements as they should appear, or credits on this note.

A. On April 1st, 1898, credit, $95.85.

137 July 1st.—This I will explain. This credit is on the principal, because the interest is paid up to that date.

Q. The interest is paid how, Mr. Williams?

A. The interest is paid in cash from the dividends on April 1st. Dividend, five per cent., $125.00, less interest, $29.15, leaving net balance, $95.85.

Q. In other words, in making credits upon your notes, you first deduct from the dividends the amount of interest due, and then apply only the balance of the dividends to the extinguishment of the principal?

A. Yes, sir.

Q. Go ahead. What is the total credits it is entitled to we are entitled to know. Is there any other upon the note?

A. There is $1,551.70 due. The credits aggregating from those dividends reduced it to that.

Q. Besides the dividends, paying the interest?

A. Yes, sir; certainly.

By Mr. RAINOLD: Counsel for the State of Louisiana now offers, produces, and files in evidence a certificate of stock issued by the New Orleans Debenture Redemption Company of Louisiana, Limited, being No. 29, to J. P. Williams, for twenty-five shares, which certificate is the same that is pledged for security of the note already offered in evidence.

Admission.—Is is admitted that all the other notes given for loans made to the stockholders are of a similar character in terms, and the certificate of stock is pledged for security of those notes, and in each case is held by the company as pledgee.

It is understood that counsel for the defendants is to furnish a copy in lieu of the original stock certificate and the note, and the same is to be considered as if they were originals.

The same to be marked "P 32."

138 Q. How much have your loans been decreased in amount by the dividends declared? I mean those loans to stockholders.

A. Well, the loans standing to stockholders on the basis—you mean percentage?

Q. No, sir; I mean the amount.

A. Well, on a note of $2,250.00 it has been decreased $699.00.

Q. Can't you tell me the total amount of the decrease?

A. Now outstanding; the total amount of loans on stock now, January 20th?

Q. What amount?

A. The amount of money loaned on notes secured by capital stock or pledge of stock, as appearing on the books to January 20th, 1899, $25,655.38.

Q. You mean that amount is still due the company?

A. I mean that we hold notes to that amount. Now, that is the net amount due the company on those notes.

Q. Allowing all proper credits on the back of the note on account of dividends?

A. Yes, sir.

—. And on account of all other causes?

A. Yes, sir; in other words, that much money of the company was loaned on those kind of notes, as it stood on January 20th, 1899.

Q. In accordance with your books, the loans to these stockholders have earned interest, haven't they?

A. Yes, sir.

Q. To what account did you place the interest?

A. Interest and discount.

Q. What fund?

A. The reserve fund.

Q. It went to the credit of the reserve fund entirely?

A. Entirely. As it was a reserve-fund investment, it had to go back there.

139 Q. It was credited to interest and discount at the end of the month, and it went to the reserve fund?

A. Yes, sir.

Q. You actually placed the amount to the credit of the reserve fund?

A. Yes, sir; actually.

Q. The amount of money paid in by subscribers on their stock, to what account did you place that?

A. It was credited to the individual subscriber.

Q. To what fund did this money go?

A. Well, it went into the general fund of the company. You mean which of the three funds?

Q. Yes, sir.

A. Neither; none. It was to the credit of those different subscribers.

Q. Yes; upon their stock?

A. Yes, sir.

Q. You didn't distribute the money received into any particular fund?

A. No, sir. It was debited to the capital-stock account.

Q. Then, you didn't place any of the money, or any portion of the money received, to the reserve fund?

A. From stock subscriptions?

Q. Yes.

A. No, sir.
Q. Nor to the credit of the redemption fund?
A. No, sir.
Q. Nor, Mr. Williams, how many debentures has your company issued altogether from the begin-ing? No, before going to that question I want to ask how many different kinds of debentures has your company issued?
A. One kind of debenture.
140 Q. Is this a copy of the instrument, in writing your contract, which you make with all persons taking out debentures in your company?
A. With one exception.
Q. Is there any different, any particular contract?
A. There is a supplementary addition calling attention to the fact of reinstatement. It might be considered as a supplementary part of it. I don't know. It is attached to it.
Q. Let's have that supplementary contract. Well, as I understand, this instrument which I hand you is the same contract made with each and every one of the debenture-holders, is it not?
A. Yes, sir.
Q. Except that after the date of March 31st, 1896, you attached a little slip, a printed slip—printed in red type—which I now produce to you?
A. Yes, sir.
Q. Prior to that date you didn't have that slip attached to your debentures?
A. No, sir.

By Mr. RAINOLD: Counsel for the State of Louisiana now offers, produces, and files in evidence a sample copy of the debenture testified to by this witness, which is marked "P 32."

Counsel for the State of Louisiana likewise offer in evidence the printed slip identified by the witness, which is marked "P 33." It reads: "Special notice." From and after this date, if installments are not paid by the night of the 5th of the month, the debenture shall be null and void, but may be reinstated at any time within thirty (30) days by payment of a reinstatement fee "of one dollar in addition to the regular installment."

Q. All debentures issued by your company are of a face value of $216.00, are they not?
A. Yes, sir.
141 Q. They all call for the payment of the same amount of money, $2.00 per month?
A. Yes, sir; monthly installments, two dollars.
Q. All the debentures issued by your company are practically like this in terms?
A. Yes, sir.
Q. With each and every one of your debenture-holders?
A. Yes, sir.
Q. Now, how many debentures have been issued by your company since its organization; the total number?

A. Twenty-seven thousand and some. I give you the exact number, 27,908.

Q. What is the total amount of money paid to your company by the holders or transferees of those debentures?

A. The total amount paid in by debentures, $803,307.00.

Q. Does that total include the first payment of $2.00 made to the solicitor?

A. It does on seven thousand nine hundred and twelve.

Q. And I infer from your answer it don't include the first payment of two dollars made on the balance of the debentures?

A. It does not.

Q. Why does it include the two dollars made on seven thousand nine hundred and twelve and not include the first payment made on the balance?

A. Because that amount is the amount received in monthly installments on debentures. The first payment from seventy-one to seven hundred and twelve was monthly installments, which was acknowledged and accounted for, but subsequent to that the first payment was not monthly installments, and consequently it is not included in the receipts under the head of monthly installments.

Q. In other words, your company made a change in its policy?

A. Yes, sir.

142 Q. Will you give me a copy of the receipts your agents gave during the first period of the business of the company?

A. Yes, sir. (Witness hands document to counsel.)

Q. You hand me here a copy of a document which I understand to be a receipt which your agent gives when he receives the first two dollars from the debenture-holder?

A. This is a coupon here and this is the application.

Q. There is a marked line here in this document, one side being the coupon, you say?

A. Yes, sir.

Q. And the other the application?

A. Yes, sir.

Q. And the other is the receipt. What is the coupon? Explain that.

A. The coupon is the receipt and the other is the application. They were only printed in that form for convenience.

By Mr. RAINOLD: Counsel for the State of Louisiana now offers, produces, and files in evidence the whole of the receipt and application, which is signed by each and every debenture-holder who has taken out a debenture in this company since the 31st of March, 1896, which is marked "P 34."

Q. Now, explain to the court in what respect, if any, the application previously made and signed by the debenture-holder differed from the new one I now hand you.

A. You can compare that, if you wish.

Q. Have you a copy?

A. Not the agent's receipt, but I have a copy of the application. (Witness hands document to counsel.)

By Mr. RAINOLD: Counsel for the State of Louisiana now offer, produce, and file in evidence copy of the application signed by persons who desired to obtain debentures in this company prior to March 31st, 1896, which is marked "P 35."

143 Q. Now, I see by the terms and conditions on the back of this application the following clause: "Payments on each debenture shall be two dollars in advance for the reserve fund (advance fee), paid to an authorized agent, and for which the applicant will be handed a receipt signed by such agent." Is it that $2.00 which you have not placed in your book?

A. Yes, sir.

Q. Why haven't you placed it in your book when you say that it is "an advance for the reserve fund"?

A. Because under the charter commissions paid to agents shall be paid from the reserve fund, and if that was placed on the books it would be offset by commissions paid to agents.

Q. In other words, I understand that this two dollars is credited to the reserve fund and not placed on your books. Is that the idea?

A. Rhetorically, yes, sir.

Q. And you don't let it figure in your books because you pay it to the agents?

A. Yes, sir.

Q. Are the agents' commissions payable out of the reserve fund, according to the charter?

A. Yes, sir.

Q. What is the amount of money that the agents received on these applications that don't figure in your company's books?

A. $39,922.00 and $19,996 debentures.

Q. So that had you credited the reserve fund with that amount the amount received by your company would be that much more, wouldn't it?

A. Certainly.

Q. That amount, however, was retained by the agents?

A. Yes, sir.

Q. That is their compensation for working for the company?

144 A. Yes, sir; the solicitors' fees for obtaining applicants.

Q. Do they get another fee besides that, Mr. Williams?

A. No, sir.

Q. Do they get any other salary from the company?

A. No, sir.

Q. Now, have you made up a statement of the number of debentures issued each month by your company?

A. Yes, sir.

Q. Let me see it. It might shorten the evidence.

A. I have it in book form.

Q. Have you made a copy from the books to offer in evidence here?

A. No, sir; I can file a copy. This book gives in detail the first month.

Q. What does the first column show?
A. The month.
Q. And the next column?
A. The number of debentures redeemed; number of lapses, total sold.
Q. That means the total issue?
A. Yes, sir; that month. This column shows where there are lapses and how old they were.
Q. Then you began business, I understand you to say, in October, 1894?
A. Yes, sir.
Q. And you produce here a book; what do you call it?
A. We call this an abstract statistical tableau.
Q. You call this a statistical tableau?
A. Yes, sir.

Counsel for the State of Louisiana now offers, produce, and file in evidence the book now produced, marked "P 36." The same is to be withdrawn by defendants and a copy of the entries are to be furnished in lieu thereof.

145 Q. Now, let's see what this book shows. It shows in the first column the month?
A. Yes, sir.
Q. And the second column?
A. The number redeemed. All this issue might transpose——
Q. No; let's go through by columns. The second column shows the number of debentures redeemed of that issue?
A. The second column shows the number outstanding of that issue.
Q. The second column shows the number outstanding of the issue?
A. Yes, sir.
Q. And the third column shows what?
A. It shows the number redeemed of the issue.
Q. That is to say, opposite October, 1894, you have 400 to 420 redeemed?
A. That means four hundred and twenty debentures issued in the month of October redeemed.
Q. That means 420 debentures issued in the month of October has been actually redeemed by your company, paying one hundred and fifty per cent. of the amount paid in by the holder thereof?
A. Yes, sir.
Q. Go to the third column.
A. That shows the number of debentures lapsed.
Q. Of that issue, October, 1894?
A. Yes, sir.
Q. Opposite October, 1894, I see No. 30; that means, I presume, thirty debentures taken out in October, 1894, have been lapsed?
A. Yes, sir.
Q. How much did you pay the holders of those debentures when you lapsed them?

A. Nothing; there were 29 lapses on the 1st of the month and one of them on the 4th.

Q. On debentures that lapsed you pay nothing?

146 A. A lapsed debenture receives no return.

Q. The next column; what does that next column mean?

A. The number sold in that month.

Q. So opposite October, 1894, the 450 means that your company sold or issued 450 debentures in that month?

A. Yes, sir.

Q. Now, the next column. I have numbered the columns as you testify from A to E. I want to get your testimony concerning the remaining columns. You have a column "cipher." What does that mean; what does that column show?

A. That column contains the list of debentures lapsing before paying the first monthly installment.

Q. I see no entry opposite October, 1894. I see the first entry opposite June, 1896. I see the number 172; that means 172 debentures taken out in the month of June which lapsed before the- made the first payment to the company?

A. Before they had made the payment of the first monthly installment.

Q. But they had already made the payment of two dollars to the agent?

A. Yes, sir.

Q. Did he retain his commission?

A. Yes, sir.

Q. Now, the column marked "1," what does that show?

A. It shows the number of debentures lapsed after paying the first monthly installment and not paying any more.

Q. So at October, 1894, the figure "20," that means that 20 made the first payment to your company, besides making the payment to your agent, and ceased paying?

A. At that time; that was the second payment made to the company.

Q. You consider that two payments made under your system of book-keeping?

147 A. Yes; they had paid the first, and that was after making the first monthly installment, which is a payment to the company. These were not paid to the company, but to the agents.

Q. That was before that change in the application which we have in evidence here?

A. Yes, sir.

Q. Now, the next column, No. 2, shows what?

A. The number of debentures lapsing after paying the second monthly installment.

Q. Do you mean by second monthly installment the installment actually received by you- company, or two, counting the payment to the agent?

A. The payment to the agent is not a monthly installment. I mean the money acknowledged by the company and receipted for and which becomes a credit to that debenture.

Q. So you won't testify, as I understand you, that you consider the amount paid the agent as an amount paid the company?

A. Yes; it is not a monthly installment.

Q. What is the third column; what does that show?

A. That shows the number of debentures lapsed after paying up three monthly installments.

Q. Now, the fourth column?

A. After having paid four monthly installments, and so on.

Q. Five, after paying five installments?

A. Yes.

Q. Six, seven, and eight, and it goes right along to column 26?

A. Yes, sir.

Q. Do you mean it shows the number of lapses, and on none of these lapses did your company pay the holders anything?

A. No, sir; it contains the lapses and surrenders—I mean forfeited debentures. Of course, them that paid seven monthly installments received their fifty per cent. Those that didn't pay
148 their seven months were entitled to nothing.

Q. Now, give us the total number that have lapsed upon which the company has paid nothing from its organization up to the present time.

A. The books show it.

Q. Column first. There has been paid in 3,754. That means in the column marked "Cipher"—zero?

A. Yes, sir.

Q. Can't you tell me the total number of debentures in number and amount that have lapsed since the organization of the company on that book and on which holders got nothing?

A. I can calculate it for you and give it to you.

Q. The column headed zero, 3,754 debentures lapsed?

A. Yes, sir.

Q. And what did they pay in?

A. And no monthly installment.

Q. But they made a payment to the agent, however?

A. Yes, sir.

Q. You calculate that is not a monthly installment?

A. No, sir; they paid the initiation fee.

Q. That amounts to how much?

A. That amounts to twice that amount.

Q. How many lapses have you two months old?

A. 1,768.

Q. That had paid in how much to the company altogether?

A. That had paid one monthly installment.

Q. Besides the fee of $2.00 to the agent?

A. No, sir. You must remember that the first seventy-nine hundred some had not made any payment to the agents.

Q. I understand that particular column shows—column 1—1,768 debentures, each one of which actually paid four dollars, does it not?

149 A. No, sir; excepting those that lapsed, the seventy-nine hundred and twelve, after they lapsed after paying one in-

stallment, they had paid two dollars that was recognized and receipted for by the company, made as the first monthly installment, and we have those debentures recorded as one monthly installment.

Q. Let's commence over again. Column 1 shows 3,754 debentures?

A. Yes, sir.

Q. How much did they pay?

A. Twice that amount—$7,508.

Q. To whom was that paid?

A. To the agents.

Q. The second column shows seventeen hundred and sixty-eight?

A. Yes, sir.

Q. How much did they pay?

A. They paid twice that much to the company.

Q And how much to the agent?

A. The first payment, the fee, $2.00.

By Mr. RAINOLD: Counsel for the State of Louisiana desires now from the witness the number of debentures that has been lapsed by the company and upon which the company has paid nothing, and likewise the amount of money that has been paid into the company by the holders of said debentures, and the amount of money that was paid to the agents of the company either as an advance fee being paid over as a first payment or otherwise.

Q. You mentioned the number, first 7,912 from the company's standpoint, who are recorded in your book, as shown in column No. 1, that those people had paid one monthly installment, which amounted to $2.00, that they had paid, and if we go down that column we find the other recorded as paying one monthly installment, so that they have each paid $4.00?

Counsel for defendant states that he will furnish the information requested by the question tomorrow morning.

150 By Mr. RAINOLD:

Q. Nor, Mr. Williams, having disposed of the number that have lapsed, and the dates upon which they lapsed, and the amounts that they have paid in, whether to the company or the agent, and whether as initiation fee or otherwise, let us see how many forfeitures to the company—I understand you call a debenture forfeited after certain payments and after your company is obligated to pay back fifty per cent.?

A. I must consider all forfeited otherwise than by redemption.

Q. How many has your company cancelled on which there was surrendered——

A. Do you mean under this tabulation?

Q. Will you make the addition showing the total amount surrendered, the amount paid by the holders of these debentures to the

company, to your agent, either as a first payment or an initiation fee, the date of the surrender, and the amount of money paid by the company back to the holders of those debentures or their assigns?

A. That same portion where these first payments are considered on these debentures, do I understand you correctly?

Q. Yes, sir.

A. I gave it to you once. The amount paid in by surrendered debentures was $22,103.89; of course, that had paid in twice that much and that would be $44,207.78.

Q. What is the number of debentures that was surrendered?

A. That shows on this tabulated form.

Q. You will furnish it to me tomorrow morning?

A. Yes, sir.

Q. Take the surrendered debentures which were debentures forfeited by your company on account of the liability or unwillingness of the holder to keep up his payments?

151 A. The surrender of a debenture is for non-payment of dues. Upon the delivery and surrender of the debenture of the company, the holder receives fifty per cent.

Q. Have you any division of those forfeited by the company before any application was made for the 50 % & how many were withdrawn without being forfeited by the company?

A. I don't understand; they are not forfeited by the company.

Q. I'll try and explain myself. Your charter says if the holder should fail to make payment within a certain time, the company would have the right to forfeit?

A. Yes, sir.

Q. This right you have exercised in many cases?

A. In each and every case.

Q. What number of those debentures have you forfeited under that clause of the charter?

A. The number is on that same line.

Q. And you will furnish that in the morning also?

A. Yes, sir; I am sorry I have not got it now. I only got the amount.

Q. What is the amount of those debentures paid in by holders which were forfeited?

A. Forty-four thousand two hundred and seven dollars and seventy-eight cents.

Q. Does that amount include that amount that the holders paid the agents as initiation fee?

A. Yes; on to seven thousand nine hundred and twelve it does, but beyond that it does not. That same complecation arose there; it includes all money paid to the company in monthly installments.

Q. Now, a man may come to the company and surrender his debenture without your forfeiting it, can't he?

A. No, sir.

Q. He might come and ask fifty per cent.?

Q. He must stop payment, and he can surrender and get a sur-

render of it, and notify us that he withdraws to forfeit his
152 withdrawal value, which is fifty per cent., payable in monthly installments. The man don't have to wait; he can come and make a demand today and get his money immediately.

Q. So this amount you gave me of surrendered debentures includes all those that come to the company voluntarily, besides those that you forfeited on account of non-payment?

A. Yes; it is the amount paid in by those no longer in force.

Q. By non-payment of dues, and there is some one hundred and seventy dollars due for unclaimed surrenders.

Q. How much is due?

A. $170.00.

Q. Please explain that.

A. Well, if he lets his debenture go by, for instance, he didn't make a change. I mean he has thirty days in which to reinstate himself, and if he don't make it by the 5th of January, speaking of the present month, his debenture is cancelled, and is debited to the redemption and passes to the credit, on our ledger, in an account kept under the head of unclaimed surrender, and there is some 170 in that.

Q. How long is it kept to his account?

A. Until he comes for it.

Q. Did you tell me just now that a man upon coming to you and announcing his intention not to pay any longer will get his money right away?

A. Yes, sir.

Q. Are you doing it now?

A. Yes, sir.

Q. Are you sure of that?

A. Just a- sure as I am on the witness stand now. We are doing that every day. We always have done it.

By the COURT:

153 Q. Provided he has made seven payments?

A. Yes; if he has withdrawal value.

By Mr. RAINOLD:

Q. Now, Mr. Williams, how many debentures are actually outstanding and in force in this company today?

A. Actually in force, made up to January 29th, 1899, 10,582 debentures.

Q. How much have they paid to the company—those outstanding debentures?

A. That have paid into the company the surrendered value?

Q. I don't want the surrendered value.

A. $207,570.00.

Q. You say that the surrendered value of those debentures would be $207,570.00?

A. Yes, sir.

Q. Then multiplying them by two, and amount I get is $415,140 that have been paid into the coffers of the company?

A. Yes, sir.

Q. Does that amount include the initiation fee paid to the agents?

A. No, sir.

Q. It does not?

A. No, sir.

Q. How much would this fee increase the amount paid by including that amount?

A. Twice twenty-one thousand one hundred and sixty-four dollars.

Q So that if you include that initiation fee the total amount that these debenture-holders have paid, either to the agent as initiation fee or otherwise, would be $436,304.00?

A. Yes, sir; that is what it would amount to.

Q. Now, can you give me the age of each outstanding debenture?

A. Yes, sir.

Q. I have a statement, presumably made by you, is it not?

A. Yes, sir.

Q. From the books of the company?

154 A. Yes, sir.

Q. It is a correct statement from the books of the company?

A. Yes, sir.

Q. The first column shows the month in which each debenture was sold or issued?

A. Yes, sir.

Q. And the second column the number in force issued in that month?

A. Yes, sir.

Q. And the third shows the surrendered value of those debentures, which is fifty per cent. of the amount actually received from the holder?

A. Yes, sir; the monthly installments.

Q. Not including the agent's fees?

A. No, sir.

Q. Haven't all these debentures in force, issued since October, 1894, paid an initiation fee to the agent?

A. Yes, sir.

Q. And it don't come under the clause that it used to previously in your company, including the agent?

A. Exactly.

Q. Will you put in another column showing the amount received by the company, and each month?

A. Yes, sir.

By Mr. RAINOLD: Counsel for the State offer, produce, and file in evidence the statement testified to by the witness, marked "P 37," with the understanding that the defendants will complete it by adding another column, showing the amount received by the company and paid upon each debenture held.

Q. Now, can you tell me the number of debentures issued each month by your company since it began business?

A. Yes; I give you that in this book, if you remember, in column three or four. That gives the number sold each month.

155 Q. Which column of this book shows the total number sold by your company each month?

A. In the column marked "sold," column "E."

Q. That shows the number sold or issued by your company each month?

A. Yes, sir.

Q. You mean by sold when you issued a new debenture to the man?

A. I will explain: The debentures are lit-ograph- in bound volumes of 250, and one is turn- out, bearing the signature of the president and secretary, which means that one is added to that month's sale.

Q. When do you issue these debentures, upon the receipt of this application?

A. Yes, sir.

Q. Is there any case in which you received an application in which you have not issued a debenture?

A. No, sir.

Q. You always issue it?

A. Always issue it.

Q. And you say column "E" shows the number that you issued each month?

A. Yes, sir.

Q. Now, which column shows the number in force of those issued each month?

A. That don't appear on that book.

Q. Where does it appear?

A. On this number now in force here, on the statement you marked "P 37."

Q. I see by your column here that 163 debentures have been issued this month. Is that correct?

A. This is not under date of January, debentures issued
156 from the *from the* 10th of November to the 9th of December, inclusive, are all dated January 1st, at which time the first monthly installment is due. That means 163 debentures that the company has issued from the dates November 10th to December 9th.

Q. And you marked those issued in January?

A. Yes, sir.

Q. That indicates the first payment to the company, not including the initiation fee?

A. Yes, sir.

Q. And the same thing is true as to the other debentures, for instance, marked "December 1st." Are all those applied for between October 10th and November 9th?

A. Yes, sir; this is correct.

Q. Now, the amount that you received from those debenture-holders are credited to three funds?

A. Yes, sir.

Q. One is called the redemption fund; that is sixty-five per cent. of the total amount received?

A. Yes; sixty-five per cent. of monthly installments.

Q. Received from debenture-holders?

A. Yes, sir.

Q. The reserve fund takes twenty-five per cent. of the monthly installments?

A. Yes, sir.

Q. And ten per cent. of the monthly installments received from debenture-holders is placed to the credit of the expense fund?

A. Yes, sir.

Q. Give us the total amount placed in the redemption fund up to date.

A. (Witness hands document to counsel.)

Q. Mr. Williams, you hand me a document here, which we will mark "P 38" and which is now offered in evidence by the
157 State. The first column—I will mark these columns as I go along to keep them straight—the first column which I will mark is—shows the year up to which the collection is made?

A. Yes, sir.

Q. The second column shows the total amount paid in by the holders of debentures up to the end of the year ending September, namely, opposite the amount "B"?

A. Yes, sir.

Q. And the third column, "C," shows the amount that is placed to the credit of the redemption fund each year?

A. Yes, sir.

Q. The fourth column, which I will call "D," shows the amount which is placed to the credit of the reserve fund each year?

A. That is the amount placed to the credit of the reserve fund out of payments made by debenture-holders.

Q. The fifth column, "E," shows the amount that went to the expense fund each year?

A. Yes, sir.

Q. And this footing-up shows the total amount of each fund?

A. Yes; it should balance with that column "B."

Q. In calculating the total amount paid, in column "B," monthly installments, do you include the initiation fee paid to the agents?

A. Up to April 1st, 1896; yes, sir.

Q. That is on seventy-nine twelve?

A. Yes, sir.

Q. Since seventy-nine twelve and up to the present number, twenty-seven thousand nine hundred and nine, you have not included the $2.00 paid agents?

A. No, sir.

Q. Now, underneath there, we have a statement showing the total amount, for instance, to the redemption fund, according to your books?

158 A. Yes; that statement shows the distribution or disbursement or distribution.

Q. The total amount paid is four hundred and ninety-one thousand seven hundred and seventy-eight dollars; is that it?

A. Yes, sir.

Q. This was used for and went to redeem debentures, and you paid that money out of the holders of debentures at the rate of fifty per cent. per one dollars?

A. Yes, sir.

Q. Paid in and surrendered twenty-two thousand one hundred and three dollars and eighty-nine cents?

A. Yes, sir.

Q. That means that that is the amount you paid out—paid fifty per cent. of the value of debentures surrendered to your company?

A. Yes; paid in monthly installments.

Q. You have a balance to the redemption fund, at the present day, of eight thousand five hundred and three, seventy-one?

A. Yes, sir.

Q. Now, then, the reserve fund; you say the total amount of reserve fund from the sources above, namely, by taking twenty-five per cent., is two hundred and fifteen thousand dollars and ten cents?

A. Yes, sir.

Q. The total number of fines, two thousand and eighty-three dollars?

A. Yes, sir.

Q. Explain what you mean by fines.

A. That is possibly a misnomer. It is a reinstatement fee.

Q. What is that reinstatement fee?

A. When a person has not paid his installment by the expiration of the time of grace he has thirty days in which to reinstate himself by the payment of a reinstatement fee of $1.00 and the payment of the amount then due, the regular installment, plus
159 the fee of $1.00.

Q. That fee is provided for in the debenture itself?

A. Yes, sir; it is on that red notice attached to the debenture.

Q. And this $2,083.00 was derived from that source?

A. Yes, sir.

Q. Next, interest, $20,957.09. What does that mean?

A. Interest on investments of the reserve fund.

Q. Does that include all the interest your company earned?

A. No, sir.

Q. It includes the interest which under your charter you place to the credit of the reserve fund?

A. Yes, sir.

Q. What interest your company earned and to what funds has it been placed?

A. It is earned interest on capital stock.

Q. To what fund has that interest been placed?

A. The dividend fund, or profit and loss.

Q. I might be mistaken, but I thought you testified the interest earned by the capital stock was placed to the reserve fund.

A. You misunderstood me. I said the interest earned by the

notes of stockholders for money borrowed was secured by pledge of the certificates of stock, and that went to the reserve fund, and that was earned interest on bills receivable.

Q. Now, the interest upon the notes which the subscribers to the capital stock made when they made a loan is included in the amount of interest which you place here as going to the reserve fund?

A. Yes, sir.

Q. But it don't include the interest that you have earned on capital stock?

A. No, sir.

160 Q. What interest has been earned on capital stock?

A. The capital stock was invested in State bonds.

Q. How much capital stock?

A. Fifty thousand dollars.

Q. Then you placed aside fifty thousand dollars which you call capital stock and you invested it in State bonds?

A. Yes, sir.

Q. And the interest earned by those bonds go into the expense fund?

A. Well, the dividend fund.

Q. That is the expense fund?

A. Practically.

Q. It can be divided among the stockholders as dividends?

A. It has been.

Q. Of course, Mr. Williams, you don't mean to say that there has been any seggregation of any particular funds for the purpose of covering the amount of the capital stock? It is a matter of bookkeeping? You don't actually divide up your property so as to place some particular portion in one and another class of securities in another fund?

A. Yes; when the capital was full paid, in June, 1897, by resolution of the board of directors or the finance committee, I don't recollect which now, that fifty thousand dollars was invested in State bonds at 97, which produced $51,500.00 State bonds.

Q. And that was set aside as the capital stock, the interest thereof to belong to the stockholders?

A. The interest thereof to belong to the company, to be devoted as the board of directors saw fit.

161 Q. I would like to have that resolution, Mr. Williams, if you will show it to me.

A. Yes, sir.

(Witness hands minute book to counsel.)

Q. I hold in my hand the minute book of the board of directors, and in the minutes of the 15th of April, 1895, I find the following motion: "On motion of Mr. Orme, the secretary was instructed to open on the books an account to be known as capital, under the heading of 'Capital investment account,' and all investments for this account shall be in State bonds until otherwise ordered by the

board of directors." Is that the resolution under which the State bonds were bought?

A. Yes, sir.

Q. And placed to the credit of the capital investment account?

A. Yes, sir.

Q. So that upon fifty thousand dollars, I might say assets, you have been earning interest, it being invested in State bonds, and that interest has gone to the account of the stockholders?

A. Yes, sir.

Q. And been divided up by dividends?

A. Yes, sir; until the sale of the bonds were ordered.

Q. Is there fifty thousand dollars now invested in State bonds?

A. No, sir; those bonds were sold.

Q. When were they sold, Mr. Williams?

A. I think October, 1898.

Q. Those bonds were sold in October, 1898?

A. Yes, sir.

162 THURSDAY, *February 2nd*, 1899.

J. P. WILLIAMS, Esq., recalled.

By Mr. RAINOLD:

Q. Mr. Williams, have you, in compliance with the request made of you yesterday, completed this statement marked "P 37" by putting another column on it showing the amount received?

A. Yes, sir.

Q. Now, have you the lapses in detail?

A. Yes, sir.

Q. Are these documents, marked "P 4" and "P 41," a copy of the books which were offered in evidence yesterday?

A. Yes, sir.

Q. True and correct copies?

A. Yes, sir.

Q. Now, Mr. Witness, I don't believe you understood the demand of the State on yesterday. The information which we sought to elicit on yesterday was as to lapses?

A. Yes, sir.

Q. I understand by a "lapse" that a bond is said to be lapsed when it is forfeited by your company for non-payment before seven months old?

A. Yes, sir.

Q. That being the case, your company pays the holder of that bond thus forfeited or lapsed nothing?

A. Yes, sir.

Q. Is that the case?

A. Yes, sir.

Q. I want, in detail, the number of lapses up to that date.

163 A. The total number of bonds lapsed up to date, January 5th; that is the last date, because those that didn't pay the January payment have until the 5th of February to reinstate, and they are not entered or recorded as lapses until the 5th of February,

so these lapses are made up to and until February 5th, and they amount to 6,152, total number of bonds.

Q. Total number of bonds?

A. Yes, sir.

Q. What was the total amount paid by the holders of those bonds into the treasury of the company?

A. $6,790.00.

Q. Is that all the money paid by the holders of lapsed debenture bonds to your company?

A. Yes, sir.

Q. That is, 6,152 bonds only paid your company $6,790.00?

A. Yes, sir.

Q. Does that take in account the first two dollars paid to the agent as an initiation fee?

A. No, sir.

Q. Well, how much does the initiation fee amount to?

A. The segregation, as you call it, reads as follows: 1,686 lapses, on which no initiation fee paid; they paid into the company $4,296.00. Forty-four hundred and sixty-six lapses that paid initiation fee, $8,932.00, and in monthly installments, $2,494.00.

Q. If we add the initiation fee to the amount you say was received by the company we will get the total amount paid by the stockholders for those bonds?

A. The cost to the holders of the bonds—you asked what was paid into the company—what the company received for them—and I construed that question to apply to the money received by
164 the company. Am I correct?

Q. You don't call payments to the agents as an initiation fee a payment to the company?

A. No, sir.

Q. And when you testify you always embody that?

A. Yes, sir.

Q. $8,932.00 was paid agents as initiation fee on those forfeited or lapsed debentures?

A. Yes, sir.

Q. That don't figure in the amount which you say the company received from these lapsed debentures?

A. No, sir.

Q. Therefore the holders of these bonds have paid your company and agents $6,790.00 added to $8,932.00?

A. Yes, sir; which would make $15,722.00.

Q. Now, let us have those lapses by months from the beginning of the business. How many debentures lapsed during the first month of your business?

A. You didn't ask me for that yesterday, Mr. Rainold.

Q. I thought I did.

By Mr. RAINOLD: I call for that information most specifically.

Q. I want the month in which they lapsed.

A. This shows it.

By the COURT:

Q. How long would it require you to obtain that information in order to testify in this matter?

A. About three hours.

Q. Have you any book like the other agents?

165 A. Yes, sir; I haven't got it here, but by adding these columns diagonally across it will show it each month.

Q. I wish you would send for the book in which you have your surrenders recorded month by month?

NOTE.—Counsel for the State at this stage of the proceedings drew up and handed to the witness a series of data which he desired the witness to furnish him. The witness gave the list to his assistant, who left for the office of the defendant company to secure the information.

Q. Then you have no investment now which represents the capital stock?

A. No, sir.

Q. No investment?

A. No, sir.

Q. Do you place the earnings of any particular portion of your general property to the credit of the stockholders at present?

A. The interest earnings?

Q. Yes; you do?

A. No, sir; on the sale of the State bonds; that money is in bank, and we don't draw against that money. It is to the credit of the general funds of the company in bank and not bearing interest.

Q. You wouldn't hesitate to draw against that money for legitimate purposes?

A. No, sir; and any money in bank.

Q. At the present day have you any segregation or funds to represent the capital stock at the present day?

A. At the present day we have. Did I understand your question that the money we have on deposit in bank to the credit of

166 the company—is your question, would I hesitate to draw on these funds for any legitimate purpose?

Q. Yes, sir?

A. To that question I answer that I would not hesitate to draw on any fund in the bank authorized by the charter or resolution of the board of directors.

Q. In other words, is your company now keeping an amount on hand to cover the capital stock?

A. No, sir; no segregation of funds.

Q. Is all in the general assets of the company?

A. Yes, sir.

Q. Now, let us complete our examination of this document "P 38," concerning which the witness has been testifying. I find here commission to agents, $15,824.00, as being paid out of the reserve fund; that is correct, is it not?

A. Yes, sir.

Q. This commission to agents was paid first on 7,912 debentures issued?

A. Yes, sir.

Q. That don't represent the initiation fee paid on debentures issued since that date?

A. No, sir.

Q. Namely, from 7,913 up to 27,908, or rather up to the last issue?

A. No, sir.

Q. Now, next I see an item here, $3,957.80, marked "royalty." What does that mean?

A. That is the amount paid out under that contract filed here to Dr. Waiss.

Q. Then I see here renewal interest also paid out of the reserve fund by you, $4,004 45. What does that mean?

A. Charges or discounts exchanged by banks for collecting
167 the monthly installments where we send away and have no local offices.

Q. Why do you take that out of the reserve fund?

A. Because it is a commission for agents.

Q. You consider the cost of collection by banks as a commission to the agents?

A. Yes, sir.

Q. And, under that impression or belief, you took the money out of the reserve fund to pay banks for the costs of collections?

A. That money is debited to reserve fund.

Q. So you have, as the total reserve fund, $199,268.94 at this date?

A. Yes, sir.

Q. Of course, all this testimony relates to a particular date, namely, January 29th, 1899?

A. Yes, sir.

By the COURT:

Q. Mr. Williams, the charter and the amended charter of the company, as I understand it, contemplates that the commissions to agents shall be paid from the reserve fund?

A. Yes, sir.

Q. But your company made some change in this operation some years ago, whereby the investor paid the additional $2.00 as an initiation fee, which was not called for by the original charter and was something extra? He got his compensation in that way instead of it being taken from the reserve fund?

A. Yes, sir.

Q. Well, now, does the reserve fund bear any expense at all, or has it been bearing any since that change has been made?

A. Nothing except the collections. That is the solicitor's
168 fee for securing business. The charter states that all commissions shall be paid from the reserve fund, and we decided it was best to put that expense—loadings—as expense fund, paying out.

Q. What I want to find out now is, since that change was made

and since this $2.00 initiation fee has been a burden to it and has been placed upon the investor in that way, I want to find out what expenses has been charged against the reserve fund per month?

A. Two per cent. of the collections outside of New Orleans.

Q. Just include in this information you are to get the amount per month that has been charged against the reserve fund.

A. The total amount of expenses which has been charged against the reserve fund——

By Judge ROGERS: We have it.

By the COURT:

Q. The total amount since the organization of the company?

By Judge ROGERS: Yes, sir; $4,000.00, I think, at the outside.

By Mr. RAINOLD: It is on this statement, Judge.

By the COURT: Is it the total amount?

By Mr. RAINOLD: $4,004.45.

By the COURT:

Q. That expense covered what period of time—since you first made the change in regard to the two dollars?

A. No, sir; from the date of organization.

Q. That expense covered the period of time since the date
169 of organization?

A. Yes, sir; from October, 1894.

Q. Prior to that date on which you made that change in regard to the two dollars every debenture issued paid two dollars to the reserve fund?

A. Yes; I understand the first two commissions on the first 7,912 debentures issued paid $15,824.00.

Q. And now to that charge upon the reserve fund is to be added this four thousand and four dollars and forty-five cents?

A. Yes, sir; and the royalty amount paid Dr. Waiss and his estate—three thousand nine hundred and fifty-seven dollars and eighty cents.

Q. And in addition to that wasn't something paid Mr. Waiss in order to relieve the company of that royalty?

A. Yes, sir; that was not paid out of the reserve fund.

Q. That was not paid out of the reserve fund?

A. No, sir; not the total charge.

Q. As I understand this statement here, the total amount has been charged against the reserve fund since its organization amounts to $23,786.25?

A. Yes, sir.

By Mr. RAINOLD:

Q. And, as I understand this statement, also the total interest earned by the reserve fund since organization. The total amount of fines amounts to only $23,040.00?

A. Yes, sir.

Q. Let me get straight about the initiation fee, Mr. Williams.

We introduced in evidence here yesterday a document marked "P 34," which is the printed blank that every debenture-holder signs at the present date.

170 A. Yes, sir.

Q. And since the change of policy there has been required what you call an initiation fee?

A. Yes, sir.

Q. Now, look at the back of this document, which is marked here in print "Terms and conditions referred to in application," and tell me whether or not clause No. 1 has no reference to the $2.00 which you call the initiation fee. Is that what you call the initiation fee?

A. Yes, sir.

Q. I will read clause No. 1.

"Payments on each debenture shall be: $2.00 in advance for the reserve fund (advance fee), paid to an authorized agent, and for which the applicant will be handed a receipt signed by such agent; and a monthly installment of $2.00, payable in advance at the home office in New Orleans, or at one of the company's local depositories, having the proper official receipts signed by the president and secretary and properly countersigned."

Q. Now, Mr. Witness, that is the contract between you and the debenture-holder, a part of it today?

A. Yes, sir.

Q. This is the printed application?

A. Yes, sir.

Q. And this says distinctly "$2.00 in advance for the reserve fund"?

A. Yes, sir.

Q. If the $2.00 is for the reserve fund why don't it figure in the reserve fund?

A. It is a mere matter of book-keeping.

Q. Will you explain that?

171 A. This is the solicitor's fee, and it is not carried through the books because it don't actually come into the company, and I could not produce a voucher from the bank showing a deposit of that $2.00. The agent is given an application. He solicits a debenture, the $2.00 is paid to the reserve fund, as constructively as it reads, for the reserve fund, and the charter requires that all commissions of agents shall be paid from the reserve fund, and if we credit that on one side and on the opposite side debit it the commission to agents would offset the other. This is done for the convenience of book-keeping. It was never done because it actually didn't come into the company.

Q. Then your statement, if what the reserve fund at the present date should show, is correct, because you have not entered this $2.00?

A. The statement of the reserve fund is correct. If you add to the reserve fund $2.00 for those 21,000 debentures, it would give you $42,000.00; and if you increased it and debited it, it would leave you exactly the same amount there.

Q. I admit that. Then your accounts would show, if you kept

your books as I think you should and as they should be kept—they would show that you had received two dollars more on each debenture, and that you paid out to agents the same amount that you received, wouldn't it?

A. I explained that, or at least I tried to. I could not produce a voucher for that money. The agents are not all in New Orleans, and I could not get a receipt, and it is understood by the board of directors, the auditing committee, that it was not necessary to make that because it would necessitate a large number of items, cash paid out, without any voucher. That was not required when it was only constructively a receipt.

172 Q. On what dates do you balance your books—once a year?

A. Once a month.

Q. You calculate the interest earned every month?

A. Interest collected, not earned.

Q. Well, please commence with the beginning of your business and give us the interest earned or collected, as you call it, by the reserve fund by months. Haven't you got your books here?

A. Yes, sir.

Q. Give it. Give us by months the interest and discount collected by month, commencing the first month of your business.

A.—

January, 1895	$64.00
May, 1895	40.10
July, 1895	60.00
October, 1895	4.25
November, 1895	5.04
December, 1895	.40
January, 1896	43.65
February, 1896	2.05
March, 1896	5.25
April, 1896	2.97
May, 1896	14.27
June, 1896	28.72
July, 1896	295.18
August, 1896	126.16
September, 1896	93.54
October, 1896	359.12
November, 1896	44.68
December, 1896	138.13
January, 1897	262.51
February, 1897	226.00
March, 1897	111.88
April, 1897	113.95
173 May, 1897	663.25
June, 1897	418.80
July, 1897	1,293.49
August, 1897	320.01
September, 1897	410.82
October, 1897	990.72

November, 1897	390.27
December, 1897	543.32
January, 1898	1,862.19
February, 1898	433.86
March, 1898	483.18
April, 1898	981.57
May, 1898	723.35
June, 1898	541.65
July, 1898	2,187.42
August, 1898	514.08
September, 1898	639.97
October, 1898	1,250.34
November, 1898	866.79
December, 1898	2,069.92

By the COURT:

Q. Well, Mr. Williams, that interest collected, month by month, in that way, I presume, must have been credited to different funds?

A. Yes, sir.

Q. For instance, a portion belonged to the reserve fund and a certain portion belonged to the dividend fund?

A. It was all credited to reserve fund, except the interest we paid out, and that was charged to that same fund.

Q. You mean to say that the interest and discount resulting from the investment in the capital stock was credited to the re-
174 serve fund?

A. I am not quite positive of that—not credited to the reserve fund; no, sir.

Q. You have given a statement by months of the total amount of interest and discounts collected by your company from all sources?

A. Yes, sir.

Q. If I understand anything about the theory upon which your company operates, that interest and discount results from the interest of the reserve fund and capital stock?

A. Yes, sir.

Q. And what comes from investments of the reserve fund should be credited to the reserve fund?

A. Yes, sir.

Q. And what comes from the other one should be kept to the credit of it?

A. Yes, sir.

Q. Was it so done?

A. Yes, sir.

Q. Can you give us the total amount of credit to the reserve fund?

A. $23,860.00. That is all on that statement.

Q. What is the total amount of this interest and discount which you just read out, please?

A. I don't know.

Q. Is it not made out by the month?

A. No, sir; I balance it every month, but I don't carry forward the totals.

Q. Does this statement include the funds which you have collected?

A. No, sir.

Q. You spoke just now of debits on this account?

A. Yes, sir.

175 Q. What do you mean by that, Mr. Williams?

A. Where we paid interest it is debited to that account.

Q. Can you give the amount of interest paid out, and how came you to pay out interest?

A. When the money was borrowed we paid interest.

Q. So, then, your company borrowed money whenever it needed it?

A. Yes, sir.

Q. Give me the interest paid out by your company on the other side of the account. Are you going to give it by months?

A. Yes, sir.

Q. You mean interest and discount both?

By Mr. RAINOLD:

Q. Anything you paid out for the loan of money, interest or discounts?

A. Do you want that by months?

Q. Yes, sir.

"Paid out for Loan of Money, Interest, or Discount."

1894.	
November	.20
December	.32
1895.	
January	3.09
February	3.62
March	3.28
April	3.94
May	.65
June	.50
July	.30
August	.40
September	.80
October	.65

176

1896.	
February	1.00
March	1.70
May	16.00
July	1.00
August	5.00
September	.75

October	58.68
November	1.57
December	136.67
1897.	
January	.40
February	.06
March	.57
April	.20
May	.25
June	107.71
July	8.15
August	27.65
September	1.94
October	1.53
November	281.21
December	115.25
1898.	
January	258.95
February	1.95
March	265.26
April	85.70
May	2.11
June	7.98
July	204.92

177

1898.	
August	51.80
September	2.08
October	26.86
November	4.45
December	8.99

By Mr. RAINOLD:

Q. Mr. Williams, was that charge against the reserve-fund interest paid by the company?

A. That was charged against interest and discount. The net balance is credited to the reserve fund.

Q. Now, Mr. Williams, you testified on yesterday that at one time you had invested the capital in State bonds, namely, you bought $50,000.00 of State bonds, and you likewise testified, as I understood you, that the interest earned by these bonds was not placed to the credit of the reserve fund, but it was expended and went to the capital and investment funds?

A. Yes, sir.

Q. And this interest was afterwards divided to pay dividends?

A. Yes, sir.

Q. Give us the amount of the interest.

A. $2,060.00 was credited—stock investment—$1,030.00 was credited to the expense fund, which was, of course, transferred. I gave

you the direct interest from the coupons of this $50,000.00 investment. There were only three.

Q. And which did go into the reserve fund?

A. Yes, sir.

Q. And the total amount was what?

A. $33,090.00.

Q. Is that included in the amount of interest which you just detailed?

178 A. No, sir.

Q. That never figured in that account at all?

A. No, sir.

Q. Was any other interest earned by any other asset of the company ever placed to the credit of the dividend, expense, or capital-stock fund?

A. No, sir.

Q. You understand the question perfectly: I mean to say that no other interest earned by the company was ever put into the expense fund or any fund and divided in dividends?

A. I understood the question, and I answered no.

Q. Now, Mr. Williams, let us get the other sources of revenue of this company. How much was earned by fines, and give it in months, please?

A. I think you have that statement.

Q. You have the total here. I want it by months. Just go through it by months.

1896.	
May	$66.00
June	28.00
July	44.00
August	42.00
September	27.00
October	106.00
November	104.00
December	33.00
1897.	
January	62.00
February	85.00
March	46.00
April	147.00
May	70.00
179 June	$31.00
July	108.00
August	116.00
September	64.00
October	70.00
November	68.00
December	48.00
1898.	
January	61.00
February	58.00

From March to October no fines collected.

October	32.00
November	143.00
December	61.00

By Mr. RAINOLD:

Q. Let us see the other sources of revenue. How much did your company make by the forfeiture of bonds not seven months old per month? Can you give that by month?

A. You have asked me for that; it is on the tabulated statement already furnished.

Q. I want the amount of lapses each month. You are going to furnish that?

A. Yes, sir; that has been dictated on the list. There is no ledger account kept of lapses; that is statistical. That money, as it comes in, is distributed, and it don't come in but once.

Q. And the same thing applies to surrenders?

A. Yes, sir; we debit what we pay out, of course.

Q. Now, Mr. Williams, I want to ascertain the amount of money paid by the way of profit by the company to the holders of debenture bonds which they redeemed. I hold in my hand document "P 20," and on the inside page of that I find, in the third column, "Profit to holders," and this is stated by months, and it runs from the first debenture bond issued by you and redeemed by you to 11,550, giving the date of redemption and the date upon which the company paid those redeemed debenture bonds. Is that list a correct transcript from your books?

180

A. I don't keep this on the books, but this is a correct statement of the amount of money paid out.

Q. It is correct according to your books?

A. Not of the ledger, but according to the books in the office it is correct.

Q. It is correct, and worked out from your books?

A. Yes, sir.

Q. That brings us to the redemption which took place on December 10th, 1898?

A. Yes, sir.

Q. Now, I have another exhibit here, which is marked "P 9," and on one side of it I see a statement of monthly redemptions, redemption No. 46, and that shows the amount of the redemption fund paid out that month. That is one and a half times the amount received from the debenture holder, is it not?

A. No, sir; that includes surrenders.

Q. Tell us how much was paid out on that redemption in January in redeeming bonds at one dollar and fifty cents on the dollar.

A. Eight thousand seven hundred and thirty-six dollars was paid out for redemptions.

Q. What part of that is the profit, Mr. Williams? Can you figure it out so as to get the record straight?

181 A. Two thousand nine hundred and twelve dollars.

Q. Would represent the profit to the holders of redeemed debenture bonds at the January redemption?

A. Yes, sir.

By Mr. RAINOLD: Counsel for the State again offer in evidence, in connection with the testimony of this witness, the document marked "P 2" and "P 9," to prove the truth of these statements; when they were offered before they were offered for the purpose of proving *rem ipsam*.

By the COURT:

Q. What was the total amount paid out at that time?

A. Fourteen thousand four hundred and thirty-two dollars.

Q. Eight thousand dollars was paid out for redemption of debentures?

A. Yes; and the balance was for surrendered values.

Q. Representing some six thousand and odd dollars?

A. Five thousand six hundred and ninety-six dollars.

Q. And that was fifty per cent. of the amount that has been paid in by the holders of these debentures which was surrendered?

A. Yes, sir.

Q. And that five thousand and [illegible]d dollars represented a profit that the company made by virtue of these surrenders?

A. Yes, sir.

By Mr. RAINOLD:

Q. Maybe we have it in the record, but, in order to get the record straight and to be certain, please tell me what the total amount placed to the credit of the redemption fund is from the be-

182 ginning of the business.

A. You have the statement.

Q. Just answer it from that statement so as to get it on the record.

A. Fifty-two thousand three hundred and eighty-five dollars and fifty cents.

Q. How much of that was expended in the redemption of bonds, giving the holders their fifty cents on the dollar?

A. $491,778.00.

Q. What was done with the balance of the fund?

A. Twenty-two thousand dollars one hundred and three eighty-nine paid in surrenders.

Q. That represented fifty per cent. of the amount of money that you received from the holders of these debentures surrendered to the company?

A. Yes, sir.

Q. They were over seven months old and were surrendered and forfeited by reason of the fact that the holders didn't continue, and the company paid fifty per cent.?

A. That amount was paid, surrendered debentures, at the rate of fifty per cent. paid in by the holders of the debentures.

By the COURT:

Q. Not including the initiation fee?

A. No, sir.

By Mr. RAINOLD:

Q. You have got a credit to the redemption fund of——

A. Eight thousand five hundred and three dollars and seventy-one cents. I would like to make an explanation there. This is a statistical statement filed, showing the amount of debentures and the number in force and the amount paid in thereby, as taken on January, on the assumption and construction that all debentures that should be paid—that should pay and which should pay
183 the January installment would do so.

Q. Do you mean January, 1899?

A. Yes, sir.

Q. They would have thirty days to pay in?

A. Yes, sir.

Q. You don't know whether they complied with that rule, because the thirty days has not expired?

A. Yes, sir; you will find a discrepancy of two hundred in that way. I wanted to make the explanation.

By Mr. RAINOLD:

Q. I will now hand you a typewritten sheet that I have here, and which was furnished by you, which is marked "P 42." Please explain what it is, so we will understand it.

A. This is a segregation or analysis of the totals or footings of the several columns of the statistical tables of lapses and surrenders, the lapses and surrenders having been filed yesterday.

Q. And which we have now marked "P 4" and "P 41"?

A. Yes, sir.

Q. Now, let us have the total amount placed to the credit of the expense fund from the date of organization to the present time from all sources—is how much?

A. You want the totals? Is the question the total amount from the date of organization to the present time?

Q. Yes, sir. Give first the total.

A. $81,269.40.

Q. Now, I understand, then, that you place ten per cent. of the total amount received from debenture-holders to the credit of the expense fund, don't you?

A. Yes, sir; and in addition to some credits from the capital stock.

184 Q. What else?

A. There has been one thousand and thirty dollars of that interest earned to us from the capital-stock investment placed to the credit of the expense fund, and then transferred to the dividend fund.

Q. You mean a thousand and thirty dollars?

A. Yes, sir.

By the COURT:

Q. Why wasn't the whole three thousand and odd dollars placed there?

A. We had different book-keepers, and it was a mistake of the book-keepers putting it to the expense fund when it really belonged to the dividend fund. The transformation was made.

Q. You received as interest on this capital invested something over three thousand dollars?

A. Yes, sir.

Q. And of that amount you placed something over one thousand dollars to the credit of the expense fund?

A. It so appears upon the books through error. It should have been credited to the dividend fund.

Q. Where was the other two thousand dollars credited?

A. A thousand and thirty dollars to the dividend fund and a thousand and thirty dollars to the credit of capital and investment account.

Q. What was done with it? Was it used in declaring and paying dividends?

A. Yes, sir.

Q. The whole three thousand dollars used to pay dividends?

A. Yes, sir.

Q. Please give us by months the amount placed in the expense fund.

A.—

October, 1894	90.00
November	119.60
December	159.80

185

1895.	
January	222.40
February	279.40
March	327.80
April	306.20
May	324.00
June	318.20
July	320.40
August	403.20
September	435.40
October	439.00
November	478.20
December	520.00
1896.	
January	644.20
February	780.80
March	924.00
April	1,011.00
May	1,021.20
June	1,118.80

July	1,376.20
August	2,104.00
September	1,609.60

By the WITNESS: Then comes a credit, other than the ten per cent. accumulation, from the special agent's account, which is $110.75.

Q. Accumulation of the special agent's accounts?

A. Yes, sir.

Q. What source was that derived from?

186 A. I will explain. We give the agent a guarantee in certain cases that his earnings should amount to so much. He was to deposit with the company, to his credit, the $2.00 commission that he got for the debenture he sold and we give him so much money. If his commission went over that amount of guarantee it was for the company, and, if not, the company would stand the loss, and on September, the ending of the year in 1898, there was $110.96 credit, balance to that account.

Q. You better go through this again.

October	$1,517.20
November	1,634.80
December	1,756.70
1897.	
January	1,833.60
February	1,993.00
March	2,074.20
April	2,199.60
May	2,326.40
June	2,966.60
July	2,555.40
August	2,678.40
September	2,706.40
October	2,690.00
November	2,680.20
December	2,734.60
1898.	
January	2,721.40
February	2,666.60
March	2,730.80
April	2,673.20
May	2,633.00
June	2,613.20
July	2,489.20

187 By the WITNESS: The next credit is a coupon from interest collected on stock investment, $1.030.00.

Q. Put it down as it is there.

A.—

Interest on stock investment	$1,030.00
August	2,313.40
September	2,339.80
October	2,356.80
October profit from sale of Louisiana State consols	3,700

Q. That profit from the sale of State consols, $3,700.00, is the sale of the bonds which represented the capital stock?
A. Yes, sir.
Q. And you placed that profit in the expense fund?
A. Yes; it was transferred to the dividend fund.

By the COURT:

Q. It was subsequently paid out in dividends?
A. Yes, sir.
Q. Does those profits made on the sale of the bonds figure in the reserve fund total of eighty-odd thousand dollars that you just stated that has been placed in the expense fund?
A. No, sir; that was the expense-fund apportionment.
Q. No, sir; I am speaking of the reserve fund. You said something over eighty-odd thousand dollars?
A. No, sir; that was the expense fund.
Q. You are talking of the expense fund?

By Mr. RAINOLD:

Q. Yes.
A. This three thousand dollars was not reserve fund; it was an expense-fund item.
Q. It never was credited to the reserve fund?
A. No, sir.

November	$2,322.40
December	2,220.40
188 1899.	
January	2,168.80

Q. Now, what has been done with the money put in the expense fund? How has it been distributed? State the disbursements each month.
A. It was not disbursed each month for the first twelve months. It was aggregated at the end of the year.
Q. Can you give the items of disbursements during the first year?
A. Consisting of office expenses and general expenses and sundry expenses.
Q. Give me those three items—office expense, general expense, and sundry expense. What was the expense of the first year? Down to what date was the total amount of money put in the expense fund which was paid out for expenses during the first year?
A. Sixteen thousand three hundred and thirty-three dollars and sixty-seven cents.
Q. What is the first year; down to what date?
A. Down to September 29th, 1895.
Q. Can you go on from month to month from there?
A. Yes, sir.
Q. Go on.

A.—

November 1st.	Office expense was		$1,475.84
	General expense		66.00
December	—. Office expense		1,027.45
	General expense		119.00
1897.			
January	—. Office expense		956.98
February	—. General expense		2,175.00
	Office expense		829.87
March	—. Office expense		1,384.48
April	—. Office expense		923.53
May	—. General expense		249.00
	Office expense		934.39
189 June	—. General expense		150.00
	Office expense		856.35
July	—. General expense		410.12
	Office expense		924.28
August	—. General expense		50.00
	Office expense		1,369.68
September	—. General expense		161.00
	Office expense		3,858.82

By the COURT:

Q. There are those cash items added there?

A. Debts other than expenses.

By Mr. RAINOLD: We want them after awhile.

By the COURT: These others are charges against expense fund?

A. Yes; they are charges against the expense fund.

Q. Just go over it again and give the disbursements of the expense fund.

By Mr. RAINOLD: Please give the disbursements, Mr. Williams. I thought you were giving them.

A. I asked you office and general expense items and you said, "Yes."

Q. I want them and everything. Give us everything.

A. Start with September, 1896; total disbursements at that time were $16,333.67; November, disbursements, $1,541.84, office and general expense.

Q. And other disbursements?

A. Not that much.

Q. You understand, we want the disbursements each month—office and general expense and all other disbursements. Tell us where the money has gone, in other words

190 A.—December, total disbursements, $1,146.45.

Consisting of office expenses, $1,027.45, and two cash items of $30.00 and $89.00; the first item, $30.00, that was a bill paid for Christmas presents made by the board of directors to the lady clerks in the office; eighty-nine dollars was directors' fees and fees of members of committees during the month.

1897.

January, $956.97, consisting of office expenses.

February, 896.22, all composed of office expenses—$829.87; general expenses, $21.75; cash, $45.00.

By the COURT:

Q. I understood you to say, Mr. Rainold, you didn't want the information in regard to what those cash items are for?

By Mr. RAINOLD: Yes, Judge; I want them in order to demonstrate the feasibility or non-feasibility of the scheme.

By the COURT: I think we have gone into this matter with the idea of investigating thoroughly the operations of the company, and I think we ought to go through with it. The more facts we find out in connection with this matter the easier it will be to reach a conclusion.

By Mr. RAINOLD: Go on where you stopped.

By the WITNESS: Board of directors and committees means fees for the month, $45.00.

Q. Will you explain what you mean by directors' and committee fees?

191 By Judge PIERSON: To the testimony sought to be elicited by the plaintiff in detail of what those expenses were for, and specially for the purpose of showing that they were not legitimate expenses, the defendant objects on the ground that the allegations of the plaintiff's petition does not open that issue, and there was no opportunity extended to this defendant either to plead or to produce its proof to meet it; that the general balances of the expenses alone with the particular items, or cause for which they were incurred, are admissible on this trial, and that the expenses, such as Christmas gifts to the lady employees of the company, are not admissible, because they are not set forth or embraced in the allegations of the plaintiffs' petition.

By the COURT: The court overrules the objection on the ground that the petition in this case charges that the defendant corporation is organized and is operating predicated upon a scheme that is against good morals and against the public policy of the State, and the court is of opinion, in view of those allegations, that it is competent to investigate the details as to the operation of the company.

By Judge PIERSON: To which ruling of the court counsel for defendant excepts and reserves a bill, and has this note made in lieu of a formal bill.

Q. (Question repeated to the witness.)

A. Every director who attends a meeting of the board receives a fee, and every member of each and every committee also receives a fee whenever they attend a meeting, a regular meeting, I should say.

192 Q. A fee of five dollars?

A. No, sir; three dollars.

Q. That is satisfactory; go ahead.

A. Well, it has gone from one dollar to three dollars. It has varied according to the different years.

Q. Go right ahead now.

A. March, 1897, $1,384.84, all office expense; April, 4,216.47, being office expense, $923.53, $11.00 being item of loss on pledge of property left by an agent. I don't suppose it is necessary to go into detail on that item of $2,500, being dividend credited to the subscribers of stock subscription.

Q. That was carried over to the stock-subscription account?

A. Yes, sir.

Q. Divided in dividends?

A That was credited to subscription of the capital stock; that was April, 1897; that was the first dividend.

Q. That was the first five per cent. dividend declared, and it was credited on the subscription of the original stock subscribers?

A. Yes, sir; an item of $1,649.94, cash balance on contingent salary of the president, G. A. Villere.

Q. What do you mean by that?

A. He served that year on a contingent salary.

Q. By that you mean if the business was so much he would get so much?

A. Yes, sir.

Q. How much?

A. $2,000.00 a year.

Q. And this was paid extra on the amount of business done?

A. Yes, sir; on the amount of business done, $132.00, di-
193 rectors' and committees' fees; that makes the total of that.

May, 1897, total disbursements of $1,185.59, consisting of office expense, $934.39; general expense, $249.00, and cash item of $2.00, donation of one of our agents leaving town; you might call that charity.

June, $1,145.60, total disbursements, being office expenses, $856.35; general expenses, $150.00; expenses of traveling agent in Alabama, $60.25; directors' and committee fees, $67.00; rent of office in Mobile, $12.00.

July, 1,405.90, being office expense, $924.28; general expense, $410.12; rent of Mobile office and postage allowed agent, $12.50; directors' fees, $59.00.

August, 1,380.18, being office expense, $1,369.68; general expense, 50c.; cash, $10.00, paid board bill one of our agents.

September, 4,638.42, being general expense, $161.00; office expense, $3,858.82; cash item, $8.00.

By Judge ROGERS: That was an extraordinary office expense caused by removing the office, Mr. Williams?

A. Yes, sir; cash item, $8.00, for hanging sign; cash item, $10.00, for rent of Mobile office; a counter-entry of debit, 60c., arising from counter-entry, correcting error in distribution of $6.00 having been credited as monthly receipts on three debentures, the ten per cent. apportionment being 60c., the counter was made and corrected.

October, 1,932.09, being office expenses, $1,506.59; general expense, $425.50.

194 November, 1,630.40, total disbursement, being general expense, $209.55; office, $1,420.93.

December, 2,195.19, being office expense, $1,624.61; general expense, $112.00; $458.58 carried to dividend fund.

January, 1898, 4,444.17, consisting of office expense, $1,458.67; general expense, $485.50; amount carried to dividend fund, $2,500.00.

February, 1,560.01; general expense, $52.15; office expense, $1,507.86.

March, 1,730.30; office expense, $1,450.30; general expense, $280.00.

April, 4,306.14; office expense, $1,384.49; general expense, $421.65; dividend account, $2,500.00.

May, 2,355.31; general expense, $1,103.00; office expense, $1,252.31.

By Mr. RAINOLD:

Q. What makes the general expenses $1,103.00 that month, Mr. Williams; any particular reason?

A. I don't remember any special reason. Attorneys' fees were paid that month.

Q. Attorneys' fees were paid that month?

A. Yes; that was the only unusual expense.

June, $1,507.94; office expense, $1,267.98; general expense, $239.95.

July, 5,842.58; office expense, $1,557.83; general expense, 1,774.75; cash to agent, $10.00; dividend account, $2,500.00.

By Mr. PIERSON: If your honor please, I make the further objection that these matters, since the institution of this suit,
195 cannot be received to support a suit filed anterior to the time of the existence of the dates, but simply to keep ourselves on the record straight; we do not object.

By the COURT: If you have any objection to the investigation I don't know it. There is no objection for the court to pass upon.

By Judge PIERSON: We then make the objection straight out.

By the COURT: If you make an objection and then say that you don't object the court don't understand that.

By Mr. PIERSON: We just make the objection.

By the COURT: The court overrules the objection for the reason that the testimony in regard to the whole operation of the company is competent and legitimate for the purpose of determining the question as to whether or not the scheme which the company is pursuing is a sound scheme or is not sound; that it is necessary to fix upon a certain date as a period up to which the operations of the company are to go and for the purposes of an investigation of this kind, and that date having been fixed upon, and the testimony having gone in with reference to the operation to that date, to wit, January, 1899, the court considers it necessary in the disposition of the case to hear the whole story.

By Judge PIERSON: Let this objection apply to all evidence on this subject.

By the COURT: Yes.

196 Defendants here reserve a bill of exceptions and reserve this note in lieu of a formal bill.

By Mr. RAINOLD:

Q. Before you go to the next month please state what does that general expense consist of. $1,744.75 is rather extraordinary.

A. The first item is $23.00 cash, consisting of attorney's fees for our attorney at Washington. It accumulated the attorney fees here, and we have expenses of Judge Rogers in Baton Rouge during the session of the legislature.

Q. How much did he get?

A. Judge Rogers' expenses were $500.00.

Q. In Baton Rouge?

A. Yes, sir.

Q. In that previous item of general expense, $1,100.00, you said the attorney's fees figured largely in that?

By the COURT: Let him go ahead and finish with this first.

By Mr. RAINOLD: Just go ahead, Mr. Williams.

A.—

August, $2,274.37; office expense, $1,356.72; general expense, $916.65.

September, 2,128.70; office expense, $1,367.22; general expense, $761.48.

October, 4,530.97; office expense, $940.29; general expense, $899.80; paid agent, $199.88; passed to dividend account, $2,570.70.

November, 1,559.42; general expense, $590.66; office expense, $868.00; $100.76, agents' expenses.

December, 1,644.47; office expense, $915.53; general expense, $728.94.

197 1899, January, $4,030.36; general expense, $612.42; office expense, $857.80; dividend account, $2,500.00; foreign agents, $60.14.

Q. Give me the balance on hand to the credit of the expense fund.

A. You have that in that statement already.

Q. Just testify from that in order to keep the record straight.

A. $1,613.61.

Q. Up to what date is that balance?

A. January 20th.

By the COURT:

Q. As I understand it, in a general way, the term "office expense" includes the salaries of the officers and fuel and lights and furniture and so on?

A. Yes, sir; stationery and printing.

Q. What, in a general way, does the term "general expense" include?

A. It includes all expenses not charged to office expenses.

Q. These attorneys' fees, and now and then some disbursements on account of some outside agents?

A. Yes, sir.

By Judge ROGERS: Taxes and license?

A. Yes, sir; taxes and license, everything that don't pertain to the office in New Orleans.

By the COURT:

Q. The reason I asked that was, why those general items didn't come under the head of office expenses and came under the head of special expenses. Then the term general expense don't include everything outside of the office expenses, but there are some special items not included in general or office expense?

198 A. Yes, sir.

Q. You say that the office expense included the salaries of the officers and so forth?

A. Yes, sir.

Q. What is the president's salary and the salary of the board of directors?

A. Directors receive a fee of $3.00 for each meeting, and so do the members of the committees.

Q. What other officers of your company are salaried?

A. The president, secretary-treasurer, assistant secretary, book-keeper, cashier, and debenture clerk.

Q. Please state their salaries.

A. The president, $2,400.00; the secretary-treasurer, $3,600.00; the assistant secretary, $1,500.00; the book-keeper, $900.00; the cashier, $600.00; the debenture clerk, $600.00; the porter, $96.00.

By Judge ROGERS: Up to recently you had a stenographer?

A. Yes, sir.

By Mr. RAINOLD:

Q. Now, you said something about guaranteeing to agents the amount they should earn during the year; out of what fund do you take the money which you pay them as a guarantee?

A. Out of the "expense fund."

Q. And if there is any surplus you return it to the expense fund?

A. Yes, sir.

Q. How many debentures did I understand your company have issued altogether?

A. Twenty-seven thousand nine hundred and eight, 27,908.

Q. And the holders of those debentures have paid how much to the company?

A. Eight hundred and three thousand six hundred and

199 seventy dollars, $803,670.00.

Q. How many of those debentures are now in force?

A. Ten thousand five hundred and eighty-two in force at the date of January 5th.

Q. How much have the holders of those debentures now in force paid to the company?

A. Four hundred and eighteen thousand four hundred and seventy dollars.

Q. How many debentures have been redeemed?

A. I can't give you that from memory, Mr. Rainold.

Q. Won't this show it?

A. No, sir; that shows the number reached by redemption, but not the number redeemed.

Q. What is the total amount paid out in redemptions? You can tell me the number redeemed, Mr. Williams?

A. Not from memory.

Q. I would like to have it and I think it is a very essential link in the matter.

A. I can give it, but not from memory. I will have to get the book. I have the book and had it in my hands this morning. I will explain that these statements were made up from a financial standpoint, and they are not entirely statistical. This is a matter of statistics, more properly speaking.

Q. Well, you have the book from which you got this information, haven't you?

A. Yes, sir.

By Mr. RAINOLD: I don't know of any other way to obtain this information, except to ask the witness to procure the book.

By the COURT:

Q. You say there are at present ten thousand five hundred debentures outstanding?

200 A. Yes, sir.

Q. I believe you said ten thousand five hundred and eighty-two?

A. Yes, sir.

Q. Outstanding as of date January 5th?

A. Yes, sir.

Q. In force at that time?

A. Yes, sir.

Q. And still in force, as far as you know?

A. Yes, sir.

Q. Can you tell me how much those debentures call for upon the face of an indebtedness by the company, amounting to $3.00 for every $2.00 paid in by the holders of those debentures? I mean, if the company stopped short on the 5th of January, 1899, and declared it would do no further business at all, and undertook to liquidate its affairs, in accordance with the original scheme, paying every man fifty per cent. on the amount of his investment, how much would they have to pay to the holders of those ten thousand and odd debentures?

A. I don't understand that to be the scheme.

Q. Well, what do you understand to be the scheme?

A. If the company stops business just now, they owe to the debenture-holders the demand value.

Q. What do you call the demand value?

A. Fifty (50 %) per cent.

Q. That is your theory of what the company would owe if the company of its own accord went into liquidation and stopped short?

A. No, sir; under the charter it is optional with the company to call in those debentures by paying the full amount of all installments paid, with six per cent. per annum interest.

Q. What I want to know is how much money is it required to pay to the holders of the outstanding debentures, $3.00 for every $2.00 they paid into the company.

201 A. $627,705.00.

Q. Well, how can you make that statement? Do you know at this time the age of all those debentures?

A. Here is a list of them.

Q. Those debentures have paid the company $418,470.00?

A. Yes, sir.

Q. Now, then, Mr. Williams, you say that you don't understand that if the company were to go into voluntary liquidation or were forced into liquidation that they would be required, in accordance with the scheme that is contained in their charter and amended charter, to pay all these debenture-holders fifty per cent. profit on the amount paid in by them?

A. Simultaneously?

Q. No, sir; is not the original contract of the company that if a man comes and takes debentures that he is entitled to get on making payments until the debenture matures, and that the company will pay him fifty per cent. profit on the investment?

A. Yes, sir.

Q. Now, I understood you to say that if the company goes into voluntary liquidation or is forced into liquidation at any particular period of its career and stops short and they receive no new business, but they simply undertake to liquidate the business as it stands, is it understood that the company is entitled under its charter to liquidate without paying fifty per cent. profit on the amount paid by the holders?

A. If the liquidation is forced by demand or withdrawal value under the contract—in other words, they have the right under that contract to come and surrender their debentures and receive a stipulated amount already paid. If all the debenture-holders presented their debentures the company would have to pay fifty per cent. on what they paid in.

Q. Fifty per cent. profit?

202 A. No, sir; one-half of the money they paid in.

Q. Take the two other hypothesis—one where the company voluntarily undertakes to liquidate its affairs and stops short in so far as the receipt of new business is concerned—what is your idea of the rights and obligations of the holders of outstanding debentures in that case?

A. Under the charter of the company, if in the opinion of the directors or management it is to the best interest of everybody concerned the company decides to liquidate and stop, it can do so by first stopping the issue of debentures, and it can elect either of two optionals—to allow its debentures already in force to continue their payments until their reach redemption by numerical order at maturity, or they could call in all these outstanding debentures at once and pay them at six per cent. per annum for the time. It is optional, under the charter, with the directors as to which process of liquidation they would choose.

Q. Suppose the company is forced into liquidation by this proceeding, what do you understand to be the rights and obligations of the debenture-holders? What is your interpretation of the charter?

A. My interpretation of the charter under those conditions would be a matter of opinion.

Q. I suppose it would. We need go no further on that subject.

By Mr. RAINOLD:

Q. You say that the matter of liquidation in certain respects is settled by the charter, and under the charter the corporation would have the right to liquidate by paying the amount paid in plus six per cent. interest. Is there anything in the contract which is signed between you and your debenture-holder which binds your debenture-holder to accept such proposition of the company?

203 By Judge ROGERS: I object; the contract speaks for itself.

By Mr. RAINOLD: Counsel for the State of Louisiana acquiesces in the objection; the contract does speak for itself.

By Mr. RAINOLD:

Q. Mr. Williams, do persons ever come to your office to take out debentures without paying for soliciting by your agents?

A. Yes, sir.

Q. To whom does the initiation fee go in that event?

A. To any agent who, in the opinion of the secretary, is worthy.

Q. Suppose he applies to the secretary, who do you give it to?

A. To some agent; whichever one is behind and needs it most.

Q. So you disburse that $2.00 as you see fit?

A. (No answer.)

By Judge PIERSON: But it don't go into the company?

A. It don't go into the company; no, sir.

Continued until Monday, Feb'y 6th, 1899, for further evidence.

204 MONDAY, *February 6th*, 1899.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
N. O. DEBENTURE REDEMPTION COMPANY OF LOUISIANA. } No. 56658.

J. P. WILLIAMS, Esq., testimony resumed.

Examination by Mr. RAINOLD:

Q. Mr. Williams, have you prepared the statement requested by the State?
A. Yes, sir.
Q. As to lapses and surrenders?
A. Yes, sir. (Witness hands document to counsel.)

NOTE.—The witness has produced a table, which is marked P 43. Counsel for the State of Louisiana now offer, produce, and file in evidence the table marked P 43.

Q. Mr. Williams, column marked "A" by me shows the month, does it not, in which the lapses occur?
A. Yes, sir.
Q. Column B shows what?
A. In detail, the number of lapses occurring that month.
Q. The number of debentures lapsed each month?
A. Yes, sir.
Q. What does column "C" show?
A. The age of those debentures.
Q. Column "D" shows what?
A. The amount paid to the company in installments on those debentures.
Q. Column "E" shows what?
A. Well, "D" is in detail and column "E" is the total.
Q. Total amount paid by debenture-holders and as lapses to the company?
A. Yes, sir.
Q. Column "F" shows what?
A. The amount paid agents in detail as initiation fee.
205 Q. Column "G" shows what?
A. The total amount paid agents on initiation fee.
Q. In what respect does "F" and "G" differ?
A. "F" is in detail and "G" gives the total for the month.
Q. Column "H" shows what?
A. The total paid by the holders of those debentures, including the initiation fee or otherwise.
Q. And what are the total number of lapses and the total amount paid by the holders of the lapsed debentures to the company?
A. The total number of lapses, 6,152.
Q. And the amount they paid the company is how much?
A. The amount they paid in as in installments is $6,790.00.

Q. Does that amount include the amount paid agents or not?
A. No, sir.
Q. How much did the holders of those debentures pay to the company?
A. Six thousand three hundred and seventy dollars.
Q. Therefore the total paid to the company, whether to the agent or the company, is how much?
A. Thirteen thousand one hundred and sixty dollars.
Q. How much did your company return to the holders of those lapsed debentures?
A. Nothing.
Q. Nothing?
A. No, sir.
Q. I thought so. Now, Mr. Witness, you produce here an abstract showing the number of surrenders or forfeitures of bonds over seven months old. Is this it?
A. Yes, sir.

By Mr. RAINOLD: Counsel for the State now offer, produce, and file in evidence the said abstract, which is marked "P 44."

206 Q. Now, Mr. Williams, the first column shows the month in which the surrender or forfeit occurred. I'll number that column "A."
A. Yes, sir.
Q. Column "B" shows what?
A. Shows the number of debentures forfeited that month.
Q. Column "C" shows what?
A. The age or number of months they have been in force.
Q. Column "D" shows that?
A. The amount in totals paid by the holders of the debentures to the company.
Q. Paid into the treasury of the company?
A. Yes, sir.
Q. Column "E" shows what?
A. Shows in totals.
Q. Total of what?
A. The total amount paid by surrendered debentures to the company during the month.
Q. Column "F"?
A. It shows in detail the amount paid as initiation fee to agents.
Q. The amount paid as initiation fee to agents by the holders of these debentures?
A. Yes, sir.
Q. Column "G," what does that show?
A. The total amount paid to agents.
Q. And column "H"?
A. The total amount paid.
Q. The total amount paid, whether paid to the agents or to the company, but paid by the holders to the company?
A. To the company and agents inclusive.

Q. Column "I," what does that show?
A. Surrenders paid by the company to holders.
Q. The amount paid on surrenders by the company to holders of those surrendered debentures?
207 A. Yes, sir.
Q. Which I understand was fifty per cent.?
A. Yes, sir; the amount paid each month.
Q. Turning over to the total, what is the total number of debentures which have, either by surrender or forfeiture by the company and which were over seven months old, ceased?
A. Thirteen hundred and fifty-nine.
Q. How much did the holders of those debentures pay into the coffers of the company, exclusive of what they paid to the agents?
A. Thirty-three thousand one hundred and forty-four dollars.
Q. How much money did the holders of those debentures pay to the agents, outside of that amount?
A. Two thousand six hundred and forty-two.
Q. Does that include all the initiation fee?
A. Yes, sir.
Q. Then, what is the total amount paid by the holders of those debentures, either to the company or to the agents?
A. Thirty-five thousand seven hundred and eighty-six dollars.
Q. What is the total amount paid by your company to the holders of those debentures?
A. To January 20th, 1899—to that date?
Q. The whole thing is made in reference to that date.
A. Well, the amount paid to the company as surrendered—this record of lapsed debentures was filled up to January 5th. We don't know whether those debentures that should pay the January installment can be returned as lapsed until the 5th of February next, the expiration.
Q. What is the total amount paid by the company up to date by holders of lapsed debentures?
A. Twenty-three thousand one hundred and three — eighty-nine cents.
208 Q. Is that fifty per cent. of the amount received?
A. No, sir; on these that are recorded—no, sir; more than that.
Q. How does the discrepancy come in?
A. Paid to January 20th, between the 5th and the 20th of January, there was paid——

By the COURT:

Q. Why don't you confine your statement to the amount paid up to January 5th upon the debentures you said you returned as lapses?

By Mr. RAINOLD:

Q. How many of those debentures that you returned as lapsed have you paid the holders therefor?

By the COURT:

Q. With fifty per cent. of the amount exclusive paid by them to the agents?

A. Yes, sir.

By Mr. RAINOLD:

Q. Fifty per cent. of what amount?

A. Of thirty-three thousand one hundred and forty-four dollars.

By the COURT: That would be $16,572.00.

By Mr. RAINOLD:

Q. How is it that you include in this statement a larger amount paid out to the holders of debentures which have been surrendered?

A. The statement of debentures surrendered, lapsed, or in force is made up to date January 5th. The amount paid out by the company to surrendered debentures is made up to January 20th.

Q. Why didn't you carry out the idea and have a complete list of those who surrendered up to January 20th?

A. Because there was a number of debentures that have not paid as yet the January installment.

By the COURT:

Q. All those persons who have received back fifty per cent. of the amount paid in by them, whether they received it up to January 5th or January 20th, they are in the position of conceding that their debentures are surrendered, ain't they?

A. Yes, sir.

209 Q. Well, the number of debentures which have been surrendered between the 5th of January and the 20th of January can be very easily ascertained by multiplying by 2 the difference between the total amount that you have returned and the amount that you have returned up to January 5th?

A. Yes, sir; the amount paid them.

Q. You paid back one-half of the amount that you received?

A. Yes, sir.

By Mr. RAINOLD:

Q. Can't you tell us how many debentures there are on which you have paid the surrendered value between the 5th of January and the 20th of January? Can't you tell us the number?

A. No, sir.

Q. Why not?

A. Because I have not got it made up. If you will let me explain——

Q. Why certainly; go on and explain.

A. The statistical report of the number of debentures surrendered is 1,369. That includes all debentures that failed to make the December payment. You are directing attention to that, and as I have my paper before me I see that you want it month by month,

the number surrendered and the amount paid in to the company as initiation fee to agents also, and also what they paid in as installments, and you also want month by month the amount of money paid out by the company to surrenders. A man might have failed to make his December payment and still not come to the company and make a surrender and not come for the surrender value. There are still debentures outstanding forfeited that have not come for the surrender value.

Q. I understand that very well; but you return here into court that the company has paid out over twenty-two thousand dollars to holders of surrendered debentures?

A. Yes, sir.

Q. And the same time you tell me that the number you return as being surrendered don't correspond with the amount you paid out. You tell me you only paid out some sixteen thousand
210 dollars, leaving a balance of six thousand dollars, which you have paid to some holders, and which you don't include in this statement. Now, how many debentures are there that got this six thousand dollars and how did they get it without surrendering their debentures?

A. They cannot get it without surrendering their debentures.

Q. Well, how many are there in that way?

A. Well, approximately three hundred.

Q. You put it at three hundred approximately?

A. Approximately.

Q. Now, Mr. Williams, if we take the number of debentures that were lapsed, the number that you return here as having been forfeited and surrendered, and the number outstanding which you return in court, will the sum of those three numbers make up the total number of debentures issued by you?

A. Barring a few in suspense on January 29th, we give you a report of those lapses and also the total number surrendered, and still there are some that have not paid the January installments that we might turn in suspense.

Q. How many of them?

A. There are eighty-three of them, I think.

Q. You have not returned these which you term "in suspense" in the number not lapsed?

A. No, sir.

Q. And not in the number that have surrendered?

A. No, sir.

Q. How many are there in number which you call "in suspense"?

A. Eighty-three.

Q. I thought you said just now there were three hundred.

A. No, sir; these lapsed since the 5th of January.

Q. Then that list of lapses is not complete as to number?

A. No, sir.

Q. And there were three hundred more lapses than has been stated in your account?

A. Yes, sir.

211 Q. Then, besides the number you have returned as lapsed and surrendered, there are three hundred additional which you should have included in order to make it complete?

A. Yes, sir.

Q. And eighty-three additional, in what?

A. In suspense.

Q. Were there eighty-three included in the number in force?

A. No, sir.

Q. How much money did the holders of those eighty-three pay into the coffers of the company?

A. Six thousand and twenty dollars.

Q. Have you tabulated those in suspense?

A. No, sir.

Q. Now, let us see if we have the total issue now. First, the number of lapses, seven months old, then the number of forfeited and surrendered, as shown by Exhibit "P 44," and then three hundred more which are not included among the lapses, which have really been lapsed?

A. Yes, sir.

Q. And then eighty-three "in suspense," and then we have the number now in force?

A. Yes, sir.

Q. The sum total of all this would make up the total issue of your company?

A. Less those which have been redeemed.

Q. Then, including the number redeemed, it would make up the total number?

A. Yes, sir.

By Mr. RAINOLD: The witness now produces an abstract, which is marked "P 45" and which is offered in evidence by the State.

Q. This document, "P 45," I understand to be a history of the redemptions made by the company?

212 A. Yes, sir.

Q. Column "A" shows the month of the redemptions?

A. Yes, sir.

Q. And column "B" shows what?

A. The number of debentures redeemed that month.

Q. And column "C" shows——

A. The amount paid in installments by each debenture redeemed at that redemption.

Q. The amount paid into the company by the holders?

A. Yes, sir.

Q. Not including the amount paid the agents?

A. No, sir.

Q. Column "D," what does that show?

A. The number of installments paid by each debenture to the company.

Q. And column "E," what does that show?

A. That shows the aggregate of the amount received by the company from debentures that were redeemed that month.

Q. Does that include the initiation fee or amount paid the agent?
A. No, sir.
Q. Column "F"?
A. That shows the initiation fee or the amount paid agents by the holders of these debentures.
Q. What does column "G" show?
A. That shows the total paid by the holders of those debentures, including the installments and initiation fee.
Q. What does "H" show?
A. The total amount received by the holders of the debentures redeemed that month.
Q. That is the total amount paid by the company to the holders of redeemed debentures?
A. Yes, sir.
Q. What does column "I" show?
213 A. That shows the redemption value of each debenture at that age.
Q. What do you mean?
A. The amount of money coming to the holder of one debenture of that age.
Q. Then the total number redeemed, Mr. Williams, according to your showing, is how much?
A. Nine thousand three hundred and thirty-two, 9,332.
Q. The amount paid to the company, inclusive of the amount paid agents, is how much?
A. Three hundred and thirty-four thousand two hundred and eighty dollars.
Q. And the amount paid by the company to the holders of these redeemed debentures is how much?
A. Four hundred and ninety-one thousand nine hundred and seventy dollars.

By Mr. RAINOLD: Counsel for the State offer, produce, and file in evidence the abstract "P 46" produced by the witness.

Q. Mr. Williams, this abstract "P 46" is a list, as I understand it, of the number of debentures now outstanding and in force?
A. Yes, sir; of date January 29th.
Q. Now, the first column, marked "A," shows the month in which these debentures were issued?
A. Yes, sir.
Q. The second column, "B," shows what?
A. The number of installments paid by the holders of those debentures.
Q. Column "C"?
A. The surrendered value.
Q. Column "D," what does that show?
A. The total amount paid in as installments.
Q. The total amount paid in as installments by the holders of those debentures?
A. Yes, sir.

214 Q. Does that include the amount paid the agents as initiation fee?

A. No, sir.

Q. Column "E," what does that show?

A. The number of debentures in force of that given issue.

Q. Now, what other total debentures are in force and in existence—what is the total?

A. Ten thousand five hundred and eighty-two, 10,582.

Q. What is the total amount paid by the holders of those debentures to the company?

A. Four hundred and eighteen thousand four hundred and twenty dollars, $418,420.00.

Q. Exclusive of amount paid agents?

A. Yes, sir.

Q. How much did the holders of those debentures pay to the agents?

A. Twenty-one thousand one hundred and sixty-four dollars.

Q. Now, Mr. Williams, will you tell us—you can refer to your memoranda if you wish—the difference between the amount paid by the holders of lapsed debentures to the company and the amount paid by the company to them; did the company pay anything to them?

A. The company paid nothing for lapsed debentures.

Q. Now, Mr. Williams, let us go to the assets of the company. Please get your book.

A. Yes, sir.

Q. What do your assets consist of, Mr. Williams?

A. The amount?

Q. Well, what is the total amount first?

A. $260,823.41.

Q. Now, please give us the totals of the assets.

215 By the COURT: Haven't you a tabulated statement there?

A. Yes, sir.

Q. Hadn't you better put it in evidence?

By Mr. RAINOLD: Very well, your honor; just give it to me, Mr. Williams. He has a tabulation that we don't consider complete.

By the COURT: Just tear that part off. You are not interrogating him about the liabilities.

By Mr. RAINOLD: Counsel for the State now offer in evidence document numbered "P 47."

Q. You have produced a paper, which I now file and offer in evidence and which I mark "P 47." Is that a correct statement of the assets of your company as taken from your books?

A. Yes, sir.

Q. Of all the money?

A. Yes; it ought to be correct.

By Judge ROGERS: We have that in bank.

By Mr. RAINOLD:

Q. I notice that you have in stocks and bonds how much money? Just read out the totals, Mr. Williams.

A. Sixty-two thousand three hundred and forty-three fifty-nine.

By the COURT:

Q. Is that the par value of the stocks and bonds?

A. The cost value.

Q. Not the par value?

A. Not the par value; no, sir.

By Judge ROGERS: Par value is more than that today.

By the COURT: You bought them at less than par?

By Judge ROGERS: Less than the market value.

By the COURT: If the par value is more than that amount, then you paid less than par for them?

A. No, sir; that is what we paid for them. (This answer was made by Judge Rogers.)

216 By the COURT: That is not the par value; that is the market value.

By Mr. RAINOLD:

Q. I notice the first item, amount among loans on securities, is an item, "loans secured by securities, $4,175.00." What do you mean by loans secured by securities?

A. Loans with collateral, and that collateral being what is generally considered commercial security, such as stocks and bonds.

Q. Were those loans made to your debenture-holders or to your stockholders?

A. Some of these loans were made to debenture-holders and some to stockholders.

Q. On what kind of securities?

A. On stocks and bonds.

Q. Put up as collateral?

A. Yes, sir.

Q. Were any of these loans made to any other person except to your stockholders and debenture-holders?

A. Yes, sir.

Q. What proportion, can you tell us roughly?

A. No, sir; I can't tell you the proportion, but if necessary I can give you the items.

Q. Have you got it tabulated there?

A. No, sir.

By the COURT:

Q. Wasn't all that money loaned out on the part of the company as secured?

A. No, sir.

By Mr. RAINOLD:

Q. So that the company loaned out money on notes secured by stocks and bonds; that is part of your business, isn't it?

A. Yes, sir.

Q. You have been doing that since the organization of the company, haven't you?

217 A. No; not since the organization of the company.

Q. Well, you have been doing it ever since you have had any money to loan out?

A. Yes, sir.

Q. The second item here is loans secured by commercial paper, $2,027.94; what do you mean by loans on commercial paper?

A. On notes bearing the signatures of one or more people.

Q. Wasn't all that money loaned to stockholders?

A. Yes, sir.

Q. All of it?

A. No, sir.

Q. How much of it?

A. I think in the neighborhood of $1,500.00 of that was loaned to stockholders.

Q. And you have no security for those loans, except their names?

A. And an indorsement and other names.

Q. In all cases, other names?

A. No; not in all cases; but it is what is termed in the banks as commercial paper.

Q. You have been loaning money on commercial paper, then, ever since you had any money to invest?

A. No, sir; not ever since we had any money. We only have $2,027 loaned.

Q. Then you have been doing this business?

A. Yes, sir.

Q. The three items, "loans secured by company's stock, $25,653.38," you testified concerning these loans when I examined you in regard to the loans made at the time the stock was paid up by loans from the company, didn't you?

A. Yes, sir.

Q. These are the same loans?

A. Yes, sir.

Q. And there is now due on these loans that amount?

218 A. I can't exactly say whether the same loans, but they are on the same class of securities, and same kind of collaterals.

Q. Every time you have a transfer you close out the note of the holder, and take the note of the transferee for the amount due?

A. Yes; if so required.

Q. And this shows how much was given to those who so required these loans, does it not?

A. Yes, sir.

Q. Now, the next item is "loans secured by mortgage paper, $16,347.00." Is that mortgage paper on property which is situated in the city of New Orleans?

A. Yes, sir.

Q. Are any of those loans on the mortgage paper of the stockholders?

A. One of them is made to a stockholder who is also a debenture-holder. These loans are made in connection with the debenture investment, and one of them happens to be for a man who is a stockholder and also a debenture-holder.

Q. Is there any other stockholder in your company, who got loans, except that one, on mortgage paper?

A. Yes, sir.

Q. How many?

A. One.

Q. Then two of them, who are stockholders in your company, have borrowed from the company on mortgage paper?

A. Yes, sir.

Q. What is the total amount of the loans to those two men on mortgage paper?

A. Five thousand four hundred dollars.

Q. And the balance has been loaned to debenture-holders?

A. Yes, sir.

Q. Now we come to an item "loans on debentures, $82,662.23." Please explain the character of these loans.

A. The company loans to its debenture-holders, at their
219 option, an amount equal to the surrender value of their debentures. The loans are made on a note, due on a fixed day, bearing eight per cent. interest for ninety days, and are discounted, and the security is the debentures themselves.

Q. Have you a copy of the note which you have executed to the company by the holders of debentures?

A. Yes, sir. (Witness hands counsel document.)

By Mr. RAINOLD: *Q.* Counsel for the State offer, produce, and file in evidence a copy of the form of the note issued by the company in making loans on debentures, which is marked "P 48."

Q. All the loans on debentures are made on this same character of note, are they not?

A. Yes, sir.

Q. Now, Mr. Williams, do you charge any fee beside interest upon these notes to those borrowing?

A. Yes, sir; we charge $1.00 loan fee on each loan.

Q. For what period of time do these notes run?

A. Ninety days or less at the option of the borrower.

Q. And they pay eight per cent. interest to your company on them?

A. Not interests, discount.

Q. Oh, you take the interest in advance?

A. Yes, sir.

By the COURT:

Q. You deduct it from the money given them?

A. Yes, sir.

Q. And also you deduct the $1.00, the amount of the fee?

A. Yes, sir.

Q. At the end of the period of the note if the loan is not paid

what does the company do--what is the company in the habit of doing?

A. If the debentures are lapsed the note is satisfied from the surrender value of the debentures——

Q. If the loan is made for fifty per cent. of the amount
220 paid in by the holder of the debenture and he fails to make further payments your company forfeits the debentures and forfeits the note—cancels the note—is that the idea?

A. Yes, sir.

By Judge ROGERS: After notifying the maker of the note?

A. Certainly; he is notified ten days prior to the expiration of the time and five days after the expiration of the time, and it is held thirty days, giving him plenty of time to consider it.

By Mr. RAINOLD:

Q. And if he don't take up his note the company cancels the note and the debentures?

A. Yes, sir.

Q. Are all the debentures returned on these loans here actually in force?

A. Yes, sir.

Q. And they are counted among the number you return in court as in force at the present day?

A. It is ambiguous. Some of these debentures may have lapsed on the January payment, but the note not being due yet, we don't check them up, and we might find on checking up that they have lapsed, but they were in force at the time the loan was made.

Q. I understand that very well, but I want to know whether there are any debentures pledged to the company for the security of those loans which have lapsed to the present day and are included in those loans. You can answer my question yes or no.

A. Yes, sir.

Q. You mean there are some that are lapsed?

A. Yes, sir.

Q. Can you give me the number and amount?

A. Two notes of small amounts; I don't remember the amount, but I remember in checking this month there were two, and the debentures have lapsed, which will be reported and finally
221 cancelled next month.

Q. You can't remember the amount paid in by the holders?

A. One note is for eighteen dollars and the other is $42.00.

Q. My idea, Mr. Williams, is to ascertain whether or not you have included in these loans, which form part of your assets—in other words, whether the debentures had lapsed and the note not compensated and cancelled by your company on account of the lapse; that is my object?

A. Yes, sir.

Q. You say there were only two notes of this kind?

A. Yes, sir.

Q. And including this small amount?

A. Yes, sir; to explain more fully, this eighty-two thousand dollars represents the bills receivable, secured by debenture loans on January 20th, but we have made a good many loans since then.

Q. Well, you have returned the number in force as really existing on the same date, January 20th, haven't you?

A. Yes, sir.

Q. Now, you have in bank thirty-six thousand seven hundred and twenty-four naught four—you had in bank that day that much?

A. Yes, sir.

Q. In the city of New Orleans?

A. Yes, sir; but three dollars and ninety-five cents of that was not in bank; three dollars and ninety-five cents was in the office.

Q. Let's take the item open accounts; it amounts to $29,888.76. What does that consist of?

A. That consists of all accounts on the books that show a debit balance.

Q. What accounts show that amount of balance?

A. Do you want an itemized list of them?

Q. Yes; if you have the itemized list made out.

222 A. I have a memorandum.

Q. Will please call it out?

A.—

Stock investment	$6,470.00
J. T. Roland	95.90
S. H. Gibson	32.60

Q. Well, these individuals—have you a long list of these individuals who owe the company?

A. No, sir; not many items on that.

Q. Go on.

A.—

Mrs. M. Dyer	22.50
Suspense account	53.07
A. Himel, personal	962.80
A. Himel, agent	1,471.65
H. L. Garland	368.27
State treasurer of Texas	1,060.20
Travelling men	3,289.49
L. P. Bryant, real estate	1,150.00
Suspended debts	14,729.14

Q. Now, here you say "stock investment," $6,470.00. What do you mean by that? How do you count that as an asset?

A. I explained that account. The company bought, as shown already in settlement with the Waiss estate, the royalty contract that gave them seventy-five hundred dollars.

Q. Yes; I understand that.

A. Which was charged to this account headed "stock investment," and there has been a credit to that of a thousand and thirty dollars, which was six months' interest on the fifty thousand dol-

lars of State bonds, which reduced it to six thousand four hundred and seventy dollars.

Q. Then you count as an asset what you bought from the Waiss estate. Do you mean by it the scheme as it were or the plan of operation from Waiss—isn't that what you paid him for?

223 A. I count it as an asset. That is the account on the books. That shows a debit balance. That is included in the assets, as all those accounts are included among the assets.

Q. Please explain how on earth that sixty-four hundred and seventy dollars is invested and how do you make it an asset. Is there any tangible thing that you can point to; is there anybody who owes that amount to the company?

A. Yes; stock investment account owes that amount to the company.

Q. Oh, it's a matter of book-keeping?

A. It is a matter of opinion. It is an account that is being decreased by credit on the capital stock.

Q. Well, does it represent anything that you can point to of value, this six thousand four hundred and seventy dollars?

A. Of a market value, no, sir.

Q. I thought not. Does it represent any debt due the corporation by any person, individual, or other corporation?

A. No, sir.

Q. Now, we have "accounts due," the largest of which is due by Mr. A. Himel. He owes the company individually $962.82?

A. Yes, sir.

Q. Is he a stockholder?

A. No, sir; he was an agent.

Q. So it is due to the company as an agent?

A. It is an agent's account?

Q. How did he become indebted to the company in the sum of $962.82 individually?

A. As an advance, in the form of guarantee.

Q. Now, he owes another amount as agent, $1,471.65; what do you mean by that?

A. That is the amount which is charged to him—advanced to him as travelling expenses.

Q. And he is supposed to owe it to the company?

A. Yes, sir.

224 Q. Now, we have another account—H. L. Garland, $368.27. What does that mean?

A. That is purely a matter of book-keeping. Do you want an explanation of that?

Q. Yes, sir; does he really owe that amount to the company?

A. That account owes that amount to the company.

Q. Does Henry L. Garland, Jr., owe that amount to your company?

A. This matter is in the process of completion. The company held a mortgage given by Mr. Garland, and had to foreclose on that mortgage, and it had to pay all the taxes and expenses of court, and it is charged up to H. L. Garland, but on the completion of

that of course it will be charged to real estate—that is, I kept it that way for convenience sake.

Q. You have here an item "State treasurer of Texas," you have him for one thousand and eighty dollars and twenty cents. Is that a deposit?

A. Yes, sir; in cash.

Q. Now, travelling men; you have an item as owing by travelling men $3,289.49. Is that a credit given to your travelling men, upward of three thousand dollars?

A. Yes, sir.

Q. They owe that to the company?

A. Yes, sir.

Q. You have an item "L. P. Bryant, real estate," $1,150.00. What is that?

A. I gave the same explanation about that as I gave about Mr. Garland. The company is in the process of negotiating a loan to Mr. Bryant, but the papers have not been finished up yet.

Q. That is not included in the loans on mortgage paper?

A. No, sir.

Q. You have a lot of suspended accounts, amounting to $14,729.14. What is that item?

225 A. That includes money on deposit in the American national bank; also that same mortgage of Henry L. Garland, and it includes two items of judgments—two judgments that the company procured.

Q. On which you never realized anything?

A. Not on those judgments, but I took the deposit of the American national bank, and put it on this net balance as due us.

Q. Now, Mr. Williams, what do you think or what do you know the value of your net balance in the American national bank to be?

A. I don't know anything; I haven't seen any exhibits of their affairs.

Q. Why did you place it in the "suspense account;" is it not because you are very doubtful whether you will get anything out of the bank any more?

A. Yes, sir.

Q. Isn't your idea the same as to all these items placed in the suspense account?

A. No, sir.

Q. How about the judgments?

A. Certainly, we expect to get something from the judgments and from the Garland loan, which was simple transferred there just because it was past due.

Q. How much are the two mortgage loans which were transferred to this account on foreclosure proceedings being had?

A. I di-n't say two. The Bryant item is an item to itself.

Q. Then there is only one, and that is Mr. Garland's?

A. Yes, sir.

Q. How much did that amount to?

A. Eight hundred dollars, with two years' interest, $960.00.

Q. How much is the balance due you by the American national bank—how much does it amount to?

A. Something like over eight thousand dollars; I don't remember the exact amount.

226 Q. How much is due you on the judgments included on this item of "suspense account"?

A. Twenty-five hundred dollars.

By Judge ROGERS: Four thousand dollars of that American Bank money is now in suit. We will get that back, because it was deposited in bank on the day that the bank failed. The United States court has already decided in one case.

By Mr. RAINOLD:

Q. Now, Mr. Williams, are any particular items that are set forth in this statement on assets put in any particular fund; or, to explain myself and my meaning more fully, is the item, for instance, of "suspense account" held in the reserve fund—does it constitute part of the reserve fund?

A. The per cent. of the total assets, or the per cent. of the relative amount of money in the reserve fund, or the reserve amount of the total assets, might be possibly construed there. It is a list of the total assets of the company.

Q. In other words, you keep your assets al- together, without charging any particular item to any particular fund?

A. If you mean we deposit money in bank to the credit of capital stock, or expense or reserve fund, I tell you we don't.

Q. Do you buy securities and say that they belong to any one of these three funds?

A. No, sir; except in one instance, about which I testified concerning the capital stock.

Q. You have now no assets which belong to the capital-stock account?

A. Not *per se*.

Q. Then you have no stipulated administration of the reserve fund or no segregation of assets for that fund, have you?

A. No, sir; not if I understand the question.

Q. If you don't understand the question, ask me. You don't take, for instance, the twenty-five per cent., say, amounting to two hundred thousand dollars, and you don't take that two hundred thou-

227 sand dollars and buy particular bonds, stocks, and notes, and keep them separately for the reserve fund?

A. No, sir.

Q. On the contrary, you use all of the funds of the company indiscriminately for the purpose of investment while you have them, of course?

A. Yes, sir.

Q. What is the average rate of interest that you earn upon your stocks and bonds, about—upon your investments; have you ever calculated it?

A. I have in particular instances.

Q. What does it range at—between, for instance?

A. If you mean by the difference between what we purchased the bonds at and what we sold them at, or do you mean the simple interest and bearing quality?

Q. No, sir. You have United States 4's bought at 112⅞ths. What does that yield you; did it yield less than four per cent.?

A. Yes, sir.

Q. Is there anything that yields you less than these United States bonds?

A. Premium bonds don't yield four per cent. at their present market value.

Q. What does the St. Charles Street Railroad Company stock yield you on the price paid for that?

A. About five and a half.

Q. And the Orleans Railroad gold bonds, which you purchased at a hundred and seven and a fraction, are they seven or six per cent.?

A. I really don't know.

By Judge ROGERS: Six.

By Mr. RAINOLD: They yield less than six per cent.?

A. Yes, sir.

Q. The City and Lake bonds at 107. Do they yield five per cent.?

228 A. They yield less than five per cent.

Q. And the Lafourche Levee bonds at 110?

A. About five and three-quarters.

Q. The Morgan's Louisiana-Texas Railroad & Steamship Co., which you bought at 124. What do they yield on the face of the bonds?

A. I have not got that tabulated, Mr. Rainold.

Q. They are not higher than six on the face value?

A. I don't know. At 124 it would be less.

Q. Upon the amount of money you paid they could not yield over six per cent.?

A. No, sir.

Q. Germania National Bank stock bought at ninety. What does that pay you?

A. About seven per cent.

Q. The drainage bonds at 103. What does the drainage bonds bear?

A. I think five per cent.; I am not sure.

Q. So they yield less than five per cent. at 103, don't they?

A. Yes, sir.

Q. Then on your investment, stocks and bonds, amounting to $62,343.59, you will be earning less than six per cent., would you not?

A. Interest rate?

Q. Yes.

A. Yes.

Q. Now, loans secured by securities. What rate of interest are you earning on this?

A. Eight per cent.

Q. Do you charge the parties who borrow money a loan fee, like you charge your debenture-holders?

A. No, sir.

Q. The only charge of loan fee is made to the debenture-holders?

A. Yes, sir.

Q. "Loan on commercial paper." What does that earn for you?

A. Eight per cent.

Q. Is that rate universal?

229 A. Yes, sir.

Q. On the company's stock?

A. Six per cent.

Q. Do you charge the stockholders a loan fee, such as you charge your debenture-holders?

A. No, sir.

Q. "Loans on mortgage paper." How much interest do you earn on them?

A. Eight per cent. in every instance except one. I think there was one small loan at seven per cent.—twelve hundred dollars.

Q. Now, on "loans to debenture-holders" you get eight per cent.?

A. Yes, sir.

Q. Open accounts—I suppose, you get no interest on open accounts?

A. No, sir.

Q. Have you those securities in bank or in safe-deposit vaults in this company?

A. The debenture loans are not; the securities are. The debentures are on file in the company's vault and safe, and all other securities are in safety-deposit vaults.

Q. In this city?

A. In this city.

By Judge ROGERS: In the safety-deposit vault of the Whitney national bank.

By Mr. RAINOLD:

Q. Now, let's get to the liabilities of this company. What are the number of debentures outstanding and in force?

The hour of three o'clock having arrived, this case was continued for further evidence until Tuesday, February 7th, 1899.

230

TUESDAY, *February 7th*, 1899.

STATE OF LOUISIANA
vs.
N. O. DEBENTURE REDEMPTION CO. OF Louisiana, Limited. } No. 56668. Division "C."

J. P. WILLIAMS resumed.

Direct examination.

By Mr. RAINOLD:

Q. Mr. Williams, we had gotten down to the liabilities of your company yesterday when we adjourned. Now, outside of the amount which your company owes or may owe to the holders of outstanding debentures, what are the other liabilities of the company, if any?

A. The liabilities from the books——

By Judge PIERSON: I desire to interpose and objection now to this line of inquiry on the ground that insolvency cannot be shown or proven except by return to a writ of *fi. fa.* under the law; that insolvency cannot be shown except upon the return *nulla bona* and after judgment rendered.

By the COURT: For the purposes of showing the impracticability of the scheme it is practicable to show insolvency.

By Mr. RAINOLD: We desire to introduce this evidence to show the impracticability of the scheme and the perniciousness of the scheme.

By the COURT: The court is of opinion that for the purpose of inquiry into the feasibility of the scheme operated by the
231 defendant company that it is competent to inquire into its financial condition, and for that purpose the court permits the inquiry to be made without intending to extend it beyond the purposes of that inquiry.

By Judge ROGERS: We have no objection to that ruling at all.

By Judge PIERSON: This objection and the bill now reserved is to be applied to all evidence on this trial of this character.

By Mr. RAINOLD: The State reserves a bill to the ruling of the court limiting the evidence to that purpose, and this bill is to stand to all evidence of a similar character.

Q. Mr. Williams, we had gotten down to the liabilities of your company yesterday, when we adjourned. Now, outside of the amount which your company owes or may owe to the holders of outstanding debentures what are the other liabilities of the company, if any?

A. From the standpoint of an accountant, the liabilities are all accounted for, showing the credit balances, if you mean that standpoint.

Q. I mean what does the company owe to other persons or corporations other than the debenture-holders of the company?

A. Nothing.

Q. You owe nothing on the promissory notes issued by the company?

A. No, sir.

Q. Nor on any open accounts?

A. No, sir; open accounts—there is a small item on our books of $381.00, but that is explainable. It is credited to the cashier, and it is simply a matter of routine.

Q. Now, let us see what your liability is to outstanding debenture-holders. There are outstanding 10,582 debentures in force to
232 date, are there not, Mr. Williams?

A. Yes, sir.

Q. And which debentures have paid into the coffers of your company $418,420.00?

A. Yes, sir; $418,420.00. Four hundred and eighteen thousand four hundred and twenty dollars.

Q. And they have paid agents in addition to that sum $21,164.00, have they not?

A. Yes, sir; they have.

Q. Making a total of four hundred and thirty-nine thousand five hundred and eighty-four dollars, I make it. Is that correct?

A. That is correct.

Q. Now, Mr. Williams, if it is the law, and the court should so construe it, that you should pay these holders of these outstanding debentures fifty per cent. profit, according to your contract, how much would that amount to at the present date?

A. Six hundred and twenty-seven thousand six hundred and thirty ($627,630.00) dollars.

Q. That is, fifty per cent. over and above the four hundred and eighteen thousand four hundred and twenty dollars?

A. Yes, sir.

Q. You don't count it 50 % over and above the amount paid the agents?

A. No, sir. I may have misunderstood your question, but I expected it to be that if the court holds that the company should pay these contracts today according to the contract. Do I understand your question? Is your question, If the court held the company should pay these contracts according to contract?

Q. That is it; you have it exactly, Mr. Williams—according to the contract.

By Mr. PIERSON: That is not at all the contract applied today. There is an alteration of a material addition in the contract, and it is not right to assume such a proposition.

233 Q. If the court should hold, Mr. Williams, that the company is bound to these holders of debentures for fifty per cent. over and above the amount that they have paid into the company, exclusive of the amount that they paid to the agents as an initiation fee, how much would the company have to pay?

A. $627,630.00.

By Mr. RAINOLD:

Q. If it were the law that the company would only have to pay fifty per cent. on the dollar—if the court held the withdrawal value to be such—how much would they have to pay?

A. $207,570.00.

Q. If the court should hold that you had to pay back the amount that you received, it would be four hundred and thirty-nine thousand five hundred and eighty-four dollars—that is, the amount you received?

A. $418,420.00.

Q. That is, exclusive of the amount paid agents?

A. Yes; exclusive of the initiation fee.

Q. Now, Mr. Williams, your reserve fund has a credit on January 20th, 1899, of $199,268.44, has it not?

A. Yes, sir; but it is ninety-four cents instead of forty-four cents.

Q. And your redemption fund has a credit of eight thousand five hundred and seventy-three dollars and seventy-one cents?

A. $8,503.61.

Q. And your expense fund has a credit of $1,613.61?

A. Yes, sir.

Q. Is there any other accounts on your books that have a credit?

A. Advanced payments has a credit of $1,056.00.

Q. What do you mean by "advanced payments," Mr. Williams?

A. I mean the installments received by the company before due. To explain more fully, the company receives installments as far ahead in reason as the holder of the debentures choses to pay
234 them.

Q. And this amount you receive before it is due by the debenture-holder?

A. Yes, sir.

Q. Does it figure in your cash that you return here?

A. Yes, sir; in the assets.

Q. Now, what other account has a credit?

A. Open accounts, sundry accounts, which I explained a few minutes ago, $381.25. We put that under the head of open accounts, that $381.25.

Q. You may have explained that, but it has escaped my memory, that sundry account.

By the COURT:

Q. The question that has been asked you, as I understand the purpose of the question, is: Was there any funds which shows a credit which in any shape could be available for the purpose of extinguishing the liabilities of the company?

A. I will state how I understood the question. We have submitted a statement of the assets.

Q. Yes.

A. The question, as I understand it now, is: As those assets foot up $260,823.41, there must be, if the books are correct—there must

be corresponding accounts on those books under the head of liabilities. I understand your question to be, What is to the credit of the several accounts, not funds, but accounts? Do I understand you, Mr. Rainold?

Q. I ask you this question: Do you divide up your assets on your books without dividing them into certain funds?

A. We divide up our liabilities into funds.

Q. You call what is to the credit of reserve fund a liability, don't you?

A. Yes, sir.

Q. And that amounts to $199,268 and some odd cents?

235 A. Yes, sir.

Q. You call what is credited to the redemption fund a liability?

A. Yes, sir.

Q. And that amounts to $8,503.70?

A. Yes, sir.

Q. And you call what is credited to the "expense fund," the-, a liability?

A. Yes, sir.

Q. That is sixteen hundred and thirty-one dollars?

A. Yes, sir.

Q. To what other account have you charged assets this way, calling them liabilities?

A. Advance payments, $1,056.00; open accounts, $381.25; capital stock, $50,000.00.

Q. And these accounts would make up the sum total of assets and balances, would they not?

A. Yes, sir.

Q. What is the sum total, then, into division of funds?

A. $260,823.41.

By Judge ROGERS: He don't understand the question.

A. What the sum of those accounts are?

Q. The account kept, under the head of capital and under the heads of reserve fund, redemption fund, expense fund, advance payments, open accounts, amount to $260,823.41?

A. Yes, sir.

Q. Now, Mr. Williams, your company has received, including the amount received by agents for outstanding debentures, the sum of $439,534.00?

A. Yes, sir.

Q. On outstanding debentures?

A. Yes, sir.

Q. And you have received, either in cash or by promissory

236 note, $50,000.00 from your stockholders?

A. Yes, sir.

Q. And that total is four hundred and eighty-nine thousand five hundred and eighty-four dollars, is it not?

A. Yes, sir.

Q. And your assets amounted to on the date, January 20th, $260,843.41?

A. Yes, sir.

Q. I make a difference between those sums of $228,760.59?

A. Yes, sir.

Q. How long has your company been in operation since it started?

A. It started October, 1894.

Q. How long would that be?

A. Fifty-three months.

Q. And, as a result of that operation, as I make it out, Mr. Williams, you have on hand, in assets, which are less than the amount which you received from outstanding debenture-holders and stockholders by the sum of $228,760.59?

A. Partially so.

Q. If that much was not received, the statement is incorrect?

A. Including the amount of twenty-one thousand dollars that commission to agents, which was not received by the company.

Q. If the amount received by the agents is not a receipt by the company the statement is incorrect to that extent?

A. Yes, sir.

Q. Now, Mr. Williams, will you please take the list—your original subscribers to the stock of this company—and tell me which one has transferred their subscription or subscriptions?

A. The original subscribers?

Q. How many original subscribers were they?

A. Twenty.

By the COURT:

Q. Give the names of the original subscribers and state one after the other who of them have borrowed money on their stock.

237

By Mr. RAINOLD: Yes; and those who transferred their stock and the company released them and released their notes.

A. Gordon S. Orme, 25 shares.

By the COURT:

Q. Give the whole list, Mr. Williams.

A. With the number of shares subscribed for, Judge?

Q. Yes.

A.—

Gordon S. Orme	25 shares.
Henry Kahn	25 "
H. B. Byrne	25 "
Maxmillian Hermann	25 "
Henry Gehl	25 "
J. W. Moore	25 "
John Poitevent	25 "
A. S. Waiss	25 "
T. D. Waiss	25 "

A. F. Waiss ..... 25 "
J. P. Williams..... 25 "
P. F. Herwig ..... 25 "
P. F. Hennessey ..... 25 "
W. H. Rogers..... 25 "
A. G. Phelps ..... 25 "
George K. Pratt..... 25 "
W. P. Wall..... 25 "
S. P. Daniels ..... 25 "
George Schurmann..... 25 "
A. F. Himel..... 25 "

By the COURT:

Q. Were those the original incorporators of the company?
A. Yes, sir.

By Mr. RAINOLD:

Q. Did Mr. Gordon S. Orme ever transfer his original shares?
238 A. No, sir.
Q. Did Mr. Henry Kahn ever transfer his?
A. Yes, sir.
Q. Before or after he made a loan upon his shares?
A. Before. He never got any loan.
Q. Did the company release him from his original subscription and take the transferee in his place?
A. Yes, sir.

By the COURT:

Q. Did Mr. Kahn borrow ninety per cent. upon his stock?
A. No, sir; he never borrowed anything. If I am right, Judge, this was the only subscription to the stock.
Q. Mr. Rainrold asked you whether Mr. Kahn had transferred his shares before or after the loan was made?
A. I don't understand the question. He didn't make a loan at all.
Q. He didn't borrow any money on his stock?
A. No, sir.
Q. Did he pay for his stock—the whole amount?
A. No, sir. When the subscription was signed ten per cent. of the stock under the subscription was called, and Mr. Kahn paid five per cent. and did not pay the other five per cent., but transferred his subscription.
Q. Transferred it to whom?
A. Mr. Byrne.
Q. Well, did Mr. Byrne pay the other five per cent.?
A. Yes, sir.
Q. Did Mr. Byrne borrow ninety per cent. on the stock?
A. No, sir.
Q. Did he borrow anything at all?
A. No, sir.

Q. Did he pay the other ninety per cent. that he borrowed?
239 A. He transferred that subscription to Fred Caspar.
Q. What did Fred Caspar do with it?
A. When the call for the unpaid balance was made he came up and paid in cash.
Q. Did he borrow anything from the company?
A. No, sir.
Q. Never has?
A. No, sir.
Q. That settles that twenty-five shares?
A. Yes, sir.

By Mr. RAINOLD:

Q. Now, take the rest of that list, Mr. Williams, and state which ones transferred their stock, and state whether or not any which transferred the original subscription, whether or not he was released of his subscription, and the transferee taken in his stead.

A. I have them arranged from the original subscribers, down to the time of the issue of the stock, the names of the original subscribers, and then it is carried through this transfer of subscription down to the time when the stock was issued. Do you want each transfer, or do you want me just to go down to the issue of the stock?

A. I wish to know all those original subscribers to the charter—which ones transferred their stock to some one else. Just say Mr. Orme did not; Mr. Kahn did. How about the next man?

A. H. B. Byrne did not.
Henry Gehl did.
John Poitevent did.
T. D. Waiss did not.
John P. Williams did not.
P. F. Herwig did not.
A. G. Phelps did.
A. F. Himel did.
240 S. B. Daniels did.
Maximillan Hermann did.
J. W. Moore did not.
A. S. Waiss did not.
A. F. Waiss did not.
P. F. Hennessey did not.
George K. Pratt did.
W. H. Rogers did not.
W. P. Wall did.
George Schurmann did.

Q. Now, all those that you say did transfer, transferred the stock before it was fully paid, didn't they?
A. Yes, sir.
Q. And in every case didn't the company release them on the liability of their subscription and accept the transferee in their stead?
A. Yes, sir.
Q. Now, there is one little point I don't quite understand, I think, and I would like to ask you concerning it again. In paying up this stock the original subscriber or the transferees paid in five per cent. at the start, didn't they?
A. Yes, sir.
Q. And they gave notes for the other five per cent.?
A. Yes, sir.
Q. Then a dividend of five per cent. was declared, and you called the stock as having fifteen per cent. paid on it?

A. Yes, sir.

Q. Then you made a call for the other eighty-five cents, did you not?

A. Yes, sir.

Q. And at a subsequent meeting of the board of directors a resolution was passed enabling those desiring to borrow ninety per cent.?

241 A. Yes, sir.

Q. Now, at the time that this transaction took place, the paying of eighty-five per cent. and borrowing ninety per cent. by some of the members, the five per cent. notes were still in the hands of the company, were they not?

A. Yes, sir; they were.

Q. And, as I understand it, these notes were retired when the different parties gave their checks for ninety cents, practically eighty-five per cent. on the call and five per cent. on the other note, and your company loaned them ninety cents?

A. They gave their checks for the eighty-five per cent. and they paid in cash the notes, with interest.

Q. But they paid it by the same check, didn't they?

A. Not in every case.

Q. Mr. Gordon S. Orme did?

A. Yes, sir.

Q. It was paid the same day this loan of ninety per cent.—on the same day that it was made?

A. Yes, sir.

Q. And it was paid practically in that way?

A. Yes, sir. You understand I testified before that some didn't give notes?

Q. Of course, your testimony applies to those who only

242 made loans and not those who didn't make loans.

A. Of course, some didn't give notes for the five per cent.

By the COURT:

Q. Just go over the list again and let us know who borrowed ninety per cent. You say Mr. Orme paid ninety per cent. and you say that Mr. Orme, an original subscriber, borrowed ninety per cent. from the company?

A. Yes, sir.

Q. You also say that Mr. Kahn was an original subscriber and transferred his stock until it finally reached the hands of Mr. Byrne, and that on that number of shares, twenty-five, there had been no loan made by the company?

A. Yes, sir.

Q. Now, as to the next?

A. Mr. Byrne?

Q Did he transfer his twenty-five shares?

A. No, sir.

Q. Did he borrow anything on it?

A. Yes, sir.

Q. He has already testified he borrowed ninety per cent.?

A. Yes, sir.

Q. And he received a check for the amount of that ninety per cent. from the company at the same time he gave his check in payment for the unpaid subscription on the stock?

A. Yes, sir.

Q. Take the next one.

A. Maximilian Herrmann.

Q. Who did he transfer his stock to?

A. To George A. Villere.

Q. Is George A. Villere still the holder of those 25 shares?

243 A. No, sir.

Q. Who did he transfer it to? Did he borrow anything on it?

A. Yes, sir; ninety per cent.

Q. Under the same conditions that Mr. Orme and Mr. Byrne borrowed?

A. Exactly.

Q. Who is the next one?

A. Henry Gehl.

Q. Did he borrow anything on his stock?

A. No, sir; he transferred his subscription, and it was issued to O. M. White, and he borrowed ninety per cent.

Q. Who is the next one?

A. Mr. J. W. Moore.

Q. Did he transfer his stock to any one?

A. No, sir; he borrowed ninety per cent. on it under the same conditions.

Q. Who is the next one?

A. Mr. John Poitevent. On that subscription the stock was issued to George L. Crandell, and he borrowed ninety per cent.

Q. The next?

A. A. S. Waiss. His subscription was issued to him, and he borrowed ninety per cent.; T. D. Waiss the same.

Q. Did he borrow ninety per cent.?

A. Yes, sir.

Q. The next?

A. A. S. Waiss.

Q. Did he borrow?

Q. He died before that. He borrowed ninety per cent. J. P. Williams did not transfer, and borrowed ninety per cent. P. F. Henessey transferred to Geo. D. Feldner and borrowed ninety per cent. P. F. Herwig did not transfer. He made no loan,

244 and he borrowed nothing on the stock. W. H. Rogers didn't transfer, but borrowed ninety per cent. A. G. Phelphs transferred to Gus Kohn, but borrowed nothing, and paid in full. Now, the George K. Pratt stock was finally issued to four different people. Five shares to S. M. Fucich; borrowed nothing. Ten shares to R. Weiner; borrowed nothing. Five shares to William Laughlin; borrowed ninety per cent. Five shares to J. W. Fairfax; borrowed nothing. A. F. Himel's stock was issued to four parties. F. J. Morgan, five shares; borrowed ninety per cent. W. D. Bettis, five

shares; borrowed ninety per cent. B. J. Lyons, five shares; borrowed nothing. W. L. Saxon, ten shares; borrowed ninety per cent. That accounts for that twenty-five shares. The W. P. Wall stock, twenty-five shares, was issued to the following parties: T. J. Lyons, ten shares; borrowed ninety per cent. J. D. Sinnott borrowed ninety per cent. W. L. Sanon, five shares; borrowed ninety per cent. The S. B. Daniels subscription of twenty-five shares was stock issued to W. L. Saxon, five shares; borrowed ninety per cent. L. S. Graham, ten shares; borrowed ninety per cent. The George Schurrmann stock was issued to R. S. Moore, five shares; borrowed ninety per cent. A. F. Himel, ten shares; borrowed nothing. J. Young, ten shares; borrowed seventy-five per cent.

By Mr. RAINOLD:

Q. That makes up the total amount of your stock?

A. Yes, sir; that is the 500 shares.

By the COURT:

Q. Well, isn't it a fact, Mr. Williams, that the checks that were given by the company to these various stockholders for the money they borrowed in this way were available before the company demanded the payment of the checks that were given by these stockholders to the company? I mean the checks for the payment
245 of their subscriptions.

A. I can't say, Judge; I don't know that those checks were deposited when they were given; I can only speak from my opinion, as Mr. Orme did. I know that they were deposited in the regular order of business, and I knew that the stockholders who gave the checks knew that they could make the loan, and they did it simultaneously.

Q. As a general thing, the checks were given in payment of the stock subscription by the stockholders, and the checks of the company were also given. The company and the stockholders both gave their checks on the same day, were they not?

A. Yes, sir.

By Mr. RAINOLD:

Q. Now, Mr. Williams, altogether, how much in dividends has your company declared?

A. Forty per cent.

Q. Forty per cent. on fifty thousand dollars?

A. Yes, sir.

Q. That makes twenty thousand dollars?

A. Yes, sir.

Q. How much is now due by the stockholders on these stockholders' notes on this stock?

A. Twenty-five thousand six hundred and fifty-five dollars and thirty-eight cents ($25,655.38).

Q. Now, Mr. Williams, from what sources of profit were these dividends declared?

A. The savings of the expense fund and profit on investment

of stocks. Fifteen thousand two hundred and seventy dollars, $15,270.00, of it was paid from the expense fund and four thousand seven hundred and thirty ($4,730.00) dollars was paid from
246 profit on the sale of Louisiana consols produced by that capital fund and interest on one coupon semi-annually.

Q. So that upward of fifteen thousand dollars was declared from the surplus in the expense fund?

A. Yes, sir.

Cross-examination by Judge ROGERS:

Q. How much interest have the stockholders paid out of that dividend, paid by stockholders on their notes?

A. Five thousand and eighty-eight dollars.

Q. In carrying on the open account from travelling expenses of agents and Mr. Himel, how did that account result—matters of contract with agents?

A. Yes, sir; that account is the result of a contract with Mr. Himel and the other travelling men of the company whereby they were allowed so much for expenses, and a fixed percentage of amount of the commission they received comes to the company to offset that.

Q. So it is returned to the company?

A. Yes, sir.

Q. So it is in the process of collection from month to month?

A. Yes, sir.

Q. You testified the other day in regard to these mortgages of the company. How many mortgages has the company had since its inception? Do you remember the amount of the mortgage loans? Can you tell me?

A. I can tell from the books. I have no detail statement of that.

NOTE.—(Witness examines books.)

A. Fourteen.

Q. Amounting to about how much altogether?

A. I can call the amounts in detail and add them up.

247 Q. Can you approximate them?

A. It is twenty-three thousand dollars approximately.

Q. Were there any of these mortgages in connection with the system of issuing debentures?

A. Yes, sir.

Q. Just explain that to the court in as few words as possible, so as to get it down.

A. The company would take a mortgage or a vendor's lien on a man's property, giving him the proceeds in cash at eight per cent. interest, the borrower agreeing to purchase a given number of debentures and pledging these debentures as additional security to the loan, leaving it optional with the company to apply the proceeds from these debentures to the liquidation of the mortgage.

Q. Were any of those debentures redeemed that were so taken; and, if so, what were the profits collected?

A. Yes, sir; in several cases the debentures were redeemed, and the proceeds, the redemption value of the debentures, liquidated the mortgage.

Q. So that was the system pursued in regard to those mortgage loans——

By Mr. RAINOLD: All of them?

A. Generally, not all of them. In other words, it was not compulsory on a man to buy debentures to borrow money on a mortgage.

By Judge ROGERS:

Q. Do you know, as a matter of fact or not, whether it is customary in a corporation, in all corporations, to pay fees to directors in attending committee meetings and things of that kind?

A. Yes, sir; I do know it to be a fact by custom.

Q. You know that in all matters of transfers of stock and
248 the acceptance of new subscribers for old subscribers the minute books will show the resolution accepting them, will they not?

A. Yes, sir.

Q. You have been the secretary of this company since its organization?

A. Yes, sir.

Q. You attended all the meetings?

A. Yes, sir.

Q. Committee meetings, as well as other meetings?

A. Yes, sir; all except where I was absent on account of illness.

Q. But with very few exceptions you have been there all the time?

A. Yes, sir; with very few exceptions.

Q. You know the stockholders and directors of the company?

A. Yes, sir.

Q. You have intimate personal relations with them and are present at all their meetings?

A. Yes, sir.

Q. Are you able to state, from your personal knowledge and relations with these gentlemen, whether or not they seem to thoroughly understand the system and express their confidence or not in its feasibility?

By Mr. RAINOLD: Counsel for the State of Louisiana object to the question on the ground that the counsel for the defendant is calling for the opinion of the witness as to whether or not the board of directors and stockholders understood something concerning the company.

By Judge ROGERS: I am not asking his opinion; I am asking if he knows.

By the COURT: I don't think he can give testimony to that effect.

To which ruling counsel for defendant excepts and reserves a bill and makes this note in lieu of a formal bill.

249 By Judge ROGERS:

Q. Mr. Williams, have you any doubt upon it yourself?

Counsel for the State object on the ground that the opinion of the witness is not competent.

By Judge ROGERS: I am going to lead up to some other question.

By the COURT: The court has already ruled upon that subject, that the statement made here by Mr. Orme, in the opinion of the court, was a mere matter of personal vindication, to show that he was sincere in believing that this thing was a sound financial scheme; but I don't regard it, strictly speaking, as being admissible in evidence.

To which ruling of the court counsel for defendant reserves a bill and make this note in lieu of a formal bill.

By Judge ROGERS:

Q. Have you given yourself any personal attention and work to the facts connected or mathematical calculations or demonstrations connected with the workings of the company's business?

A. Yes, sir; since more than a year before the company's organization I have done nothing else.

Q. Have you got your work with you, Mr. Williams?

A. Yes, sir.

Q. I would like you, Mr. Williams, in this connection to take up the data and facts and calculations which show the fact of the calculations.

By Mr. RAINOLD: You desire to prove by Mr. Williams what calculations he may have made prior to the organization of this company?

By Judge ROGERS: I desire to show the whole facts and mathematical calculations of this company.

250 Q. Were those calculations made prior to the formation of this company, Mr. Williams?

A. Some of them were and some were made since; some were only made last week.

By Mr. RAINOLD: I object to any calculations made prior to the existence of the company, on the ground that they could not possibly be based upon the facts of this case.

By the COURT: If the facts of the case are based upon those calculations it would amount to about the same thing. I think that any mathematical calculation that this witness may have made and which has been used and are used as a basis of the operations of the company are admissible in evidence.

By Mr. RAINOLD: The State reserves a bill of exceptions and makes this note in lieu of a formal bill.

By Judge ROGERS:

Q. Now, Mr. Williams, will you proceed? It is not a question of

right or wrong. My idea is to get the whole matter before the court upon the facts of the case.

By the COURT: Whether the scheme is practical or not is all a matter of mathematical calculation.

By Judge ROGERS: Go on, Mr. Williams.

By Mr. RAINOLD: The State objects on the ground that the testimony is totally irrelevant and immaterial; and, further, that the opinion arrived at by the witness is merely a matter of opinion and not a matter of fact; that his calculations are based upon factors or elements assumed by the witness without reference to this case, making the calculations a mere matter of opinion, as aforesaid.

And counsel for the State of Louisiana reserves this note in lieu of a formal bill of exceptions in reference to all evidence of this kind.

251 By the COURT: The court overrules the objection in so far as it applies to the opinion of the witness, on the ground that the opinion of the witness has not been asked. He has been asked to furnish the court with the mathematical calculations made by him prior to and since the formation of this company and upon which the company predicates its operations, and has not been asked to give his opinion otherwise than as expressed in those calculations. Whether these calculations are predicated upon assumptions and upon factors which do not exist, so far as this company is concerned, is a matter concerning which the court is not yet informed. The court does not understand how the counsel making the objection can be so informed, since the calculations have not been presented to the court, nor has the witness stated upon which he has based them. The court considers the testimony, so far as it can see at the present time, admissible. Of course, if from the explanation of his figures it appears that he has based his calculations upon conditions that do not exist here, why they will be of very little value.

By Mr. RAINOLD: To which ruling of the court counsel for the State of Louisiana excepts, reserves a bill, and states that this exception and objection is to apply to all evidence of the same character.

By Judge ROGERS:

Q. I want you to make a statement of your calculation from the beginning; how you went into the work, and all your own work, as a matter of fact.

By the COURT:

Q. Let me ask you first, Mr. Williams, are you what is called an actuary?

A. An actuary? I have no diploma or certificate as an
252 actuary. I don't think there is any such issued, may it please the court. I have simply given the matter study. It would depend a good deal upon the definition of "actuary." I am not a professional actuary.

Q. That is not your business?

A. No, sir.

Q. What experience have you had in mathematics, of a description which is usually dealt with by actuaries in making their calculations of that kind?

A. I have had five years' study of the life-insurance business.

Q. You were a life-insurance agent for five years?

A. Yes, sir; I made a careful study of it for the purpose of informing myself thoroughly as to the workings of the system.

Q. Here in New Orleans?

A. Yes, sir; here in New Orleans; and, as Mr. Orme has testified before, this company, in its initial or primary organization, advertised for some one experienced in calculations. I answered that advertisement, and went to work for them on calculations to determine what would be a practical guarantee period under this system, taking into this system every possible element that might enter into it. I worked for a year or more on different calculations, one of which—I have a summary here which is rather a very voluminous report and hardly worth filing, I suppose.

By Mr. RAINOLD: Did you offer it in evidence?

By Judge ROGERS: It depends on circumstances whether we will or not.

A. The result of those calculations——

By Mr. RAINOLD: I object to the result. The calculations themselves may be admissible, but the witness cannot be allowed
253 to state what the result is without introducing the calculations themselves to show how the result is obtained. Certainly, that would be a mere matter of opinion.

By the COURT: Well, I understand the question that has been asked you, Mr. Williams, seeks to elicit the *modus operandi* by which you reach those results, and by those results I suppose you mean the deductions of the calculations.

By Judge ROGERS: You have them with you?

A. Yes, sir.

By the COURT:

Q. What did you start in to find out, Mr. Williams?

A. The system under which—the debenture system is simply this: As a mathematical proposition, can a given number of debentures, or contracts or certificates, as they are termed—debentures—can a given number be issued at a given time guaranteeing to the investors a return of their money, principal, with fifty per cent. profit added, said return to be made in a sufficiently short period of time to make the return equal to a reasonable rate of interest per annum. I don't know whether I make that quite clear. In other words, take a given number of debentures, say 100, issue them on the first of the month, on one day, will that last number, say No. 1 and No. 100, will they all be paid under the charter of the company or by application of the formula or system—will No. 1 and number 100 both receive their money back, the principal, with fifty per cent. profit added, in a sufficiently short time to make the

return equivalent to a reasonable interest rate per annum on the investment?

By Judge ROGERS: Without lapses or surrenders?

A. Certainly, without lapses or surrenders. That is purely a mathematical calculation.

254 By the COURT:

Q. What do you call a reasonable rate of interest?

A. That is probably a matter of opinion—three per cent.

Q. Do you consider where a man invests $144.00 in the course of six years and at the end of the six years gets $216.00 that that return represents a reasonable rate of interest?

A. That return is sixteen and two-thirds per cent. That is certainly an acceptable rate.

Q. Is it a practicable rate of interest?

A. It is not.

Q. How much interest is that per annum?

A. Sixteen and two-thirds per cent.

By Judge ROGERS: Go on, Mr. Williams. You understand what I desire; make it in your own way. You have been before this board of accountants and made your statement.

A. I was only giving a foundation of the system, which was that problem, Can a given number of debentures be issued simultaneously guaranteeing to each a return of their money with fifty per cent. profit within such a time that the return will equal a reasonable rate of interest per annum, provided there shall exist no inequality in the distribution of ratio of profit or interest? This calculation is marked "Table No. 1."

By Judge ROGERS: I now offer, introduce, and file in evidence the document just referred to by the witness, and same is marked "D 1."

By Mr. RAINOLD: Counsel for the State makes the same objection to the offer of the table as made to the testimony in toto.

By the COURT: The court makes the same ruling.

Bill of exceptions reserved.

A. "D 1" is a calculation based on the supposition that
255 the company issues 100 debentures the first day of its existence and then stops the sale of debentures, allowing those to work themselves out according to the charter, paying them off in their numerical order by the expenditure of the redemption fund only until such time as that reserve fund, with its interest earnings, is sufficient to take up all the debentures then in force. Interest calculated at six per cent. per annum on the net reserve.

By Mr. RAINOLD:

Q. Compound interest?

A. Compound interest. I will explain this calculation, and all the others are based upon the original charter of the company. On this one point, when this first $2.00 is paid to agents or solicitors was taken from the reserve fund, or twenty-five per cent. of the monthly

installments—not an initiation fee—that, of course, makes a difference, which I will try to show later. This calculation shows that the last debenture, No. 100, will be paid when it is twenty-two years old, the man having invested his money for the average time of 11 years and receiving fifty per cent. profit on the total investment; that would give him something like 4% per annum compound interest on the total amount for the time invested; but under that hypothesis debenture No. 1 would have been paid in seven months, No. 100 in 22 years, which would be an inequality in the interest ratio as well as the profit; consequently we found after the completion of this calculation that the series idea would not apply. The charter does not allow of that. The charter requires that the debentures shall be issued in numerical order and redeemed in the same way; consequently we made calculation No. 2.

By Judge ROGERS: Counsel for the defendant now offers,
256 produces, and files in evidence, in connection with the testimony of this witness, document marked "D 2."

By Mr. RAINOLD: Same objection.

Same ruling. Same bill reserved.

A. This calculation is based upon the supposition that the company will issue 100 debentures the first month, continuing to sell 100 each month thereafter, paying them off in their numerical order by the expenditure of the redemption fund, only until such time as the reserve fund, with its interest earnings, is sufficient to take up all the debentures then in force; interest calculated at six per cent. on the net reserve. Under this calculation we found the inequality referred to in the first calculation—this appeared: Debenture No. 1 would be paid in seven months; debenture No. 100 would be paid in nine months; only a difference of thirty days in the length of time of the investment, No. 1 and No. 100 receiving practically the same interest ratio and the same profit ratio. The same will apply all the way through. No. 101 will be in eight months, No. 200 will be in nine months. That is carried on to the point where the reserve fund equals 150% of the amount paid in by all outstanding debentures. The age of the oldest debenture would be identical with the age of the oldest debenture under calculation No. 1. In other words, we would find 100 debentures twenty-two years old and 100 debentures one month old, the reserve fund being sufficient at that point to take up all those debentures at a ratio of 150% of the amount invested. These are the principal calculations that they are based on, an abstract covering that calculation showing
the difference between the system as applied by the old char-
257 ter of the company and its amended or present charter showing the difference in results reached with the initiation fee and without the initiation fee. They refer to and belong to the same calculation; one is with the initiation fee and the other is without the initiation fee.

By Judge ROGERS: Counsel for the defendant now offer, produce, and file in evidence, in connection with the testimony of this witness,

the two statements which have been referred to by him, and which are marked respectively " D 3 and D 4."

Q. Those calculations show beyond question that as a matter of fact debentures paying fifty per cent. profit will pay themselves out in numerical order without lapses or surrenders——

By the COURT:

Q. Pay themselves out when?

A. Pay themselves out in time ranging from seven months to twenty-two years.

Q. Will they pay themselves out in six years—pay themselves out in a time ranging from seven months to six years?

A. No, sir; not on that basis of ratio business. Selling a given number of debentures each year, they will not pay themselves out in six years.

Q. This matter came up before me some time ago on an exception, and I adopted this hypothesis as a basis of calculation which I made myself. Supposing that the company starts in and sells 1,000 debentures each month of its existence from the beginning of its operations for six months; that it meets with no reverses whatever, no loss of any kind, and at the end of the six months has sold six thousand debentures, deducting ten per cent. for expenses and putting aside 25 % to the reserve fund and making use of 65 % as a redemption fund—that is to say, paying out sixty-five per
258 cent. of the receipts as fast as they come in, after the oldest debenture is seven months old, for the purpose of redeeming debentures, and continuing that for the six months of its existence and then concluding to go into voluntary liquidation, will the scheme of the company enable it to take up those debentures at the expiration of six years, when they are six years old?

A. If the company has capital enough to start with—in justifying it in issuing those six thousand debentures in six months—yes, sir.

Q. I am not speaking of the company. I am speaking of the question whether the receipts from the monthly installments paid in by the debenture-holders, outside of any recourse to its capital stock, whether the monthly receipts from the debenture-holders will enable the company to liquidate its affairs in accordance with the terms of its charter by paying the debentures as they mature at the expiration of six years.

A. No, sir; most positively it would not.

Q. Did you see my opinion published in the newspapers?

A. Yes, sir.

Q. Did you look at the calculation at all?

A. Yes, sir.

Q. Did you find it erroneous?

A. No, sir; the calculations were perfectly correct, with one difference I noticed, if your honor please, that you used only fifteen per cent. for the reserve fund. You deduct 10 %——

Q. Thirty per cent. for the reserve after the company starts in liquidation, and I think I only charged the company with five per

cent. for liquidating expenses. Without recapitulating all this, your explanation to my question, as I understand it, is that a company organized upon the basis upon which this company here is organized and selling one thousand debentures per month
259 for six months could not, at the expiration of that six months, suspend its operation and liquidate its affairs by paying the debentures at the expiration of six years from the date of their issuance from the installments paid in by the debenture-holders?

A. No, sir; it could not; but if you carry that calculation to twenty-two years you will find that the last one will have been paid, eliminating lapses from this calculation.

Q. That is to say, not including the lapses. Suppose you have lapses, will they pay the debentures at the end of six years?

A. Yes, sir.

Q. What percentage of lapses would be required to pay them?

A. Two per cent. a month.

Q. And according to the calculation I made at that time, Mr. Williams, at the expiration of the six years, for the life of a debenture, one thousand debentures of the last issue, the excess of the liabilities over the apparent assets would be $191,746.20?

A. I don't remember whether you figured in any interest earnings on that.

Q. That one hundred and ninety-one thousand dollars would have to be made up of interest and lapses?

A. No, sir; because if they were all going to lapse on the last month, yes; but if those lapses are going to occur each month or be distributed during the six years on liquidation, you would not find this same amount of deficit or dividend excess of liability over assets; it would be eliminated entirely. You would not have this same amount of deficit or contingent amount of liability. You would not have the liability of a debenture being seventy-two months old. If it lapsed when it paid six months you will
260 find that those figures would be upset if you take into account any lapse. If you take any given number of debentures issued the first month, say 1,000 debentures, and you have two per cent. of the number in force, cancelled by lapses or forfeitures, you would at the end of six years have a reserve fund equal to the amount of 150 % of the amount then in force.

Q. That is the result of your calculations on the subject, is it—that is your calculation?

A. No, sir; that is the result of anybody's calculation. I have this calculation, which was gone over by the Government experts, and they failed to find any error in it. On the six per cent. interest basis—that is, assuming that you make six per cent. on the reserve fund, with that ratio of lapses—at the end of six years your reserve will equal 150 % of the amount paid in on debentures still in force.

Q. According to this calculation (I am referring to the calculation of mine) at the end of the period of time fixed, according to my understanding of your charter, for the maturity of the last-issued debentures—that is to say, at the end of six years from the time at

which the company starts its liquidation—I find on the basis of this calculation that I have just mentioned that the excess of your liabilities over your apparent assets would be $191,746.20, and to meet this liability the company will have to earn that amount in the way of interest upon the balance in its hands during this six years, and that this balance would average approximately—well, from twenty-nine thousand to eighty thousand dollars each year, and the question that presented itself to my mind was whether or not it would be possible for the company to make up one hundred and ninety-one thousand dollars by interest earnings upon any
261 such sum of money, the average for the whole six years of money at their disposal on which to earn this interest being perhaps a little over sixty thousand dollars, whether with the use of the sixty thousand dollars for six years you could earn one hundred and ninety-one thousand dollars in the way of interest.

A. No, sir; nobody could do that; that would be impossible.

Q. Then you can't earn it in the way of interest. Unless there is some radical error in this calculation you must make it up by having money that is paid to you forfeited by the debenture-holder. In other words, you must make it up in the way of lapses?

A. You must make up one hundred and ninety-one thousand dollars; that deficit could only exist, provided all of those debentures carry to the full period.

Q. Precisely.

A. If that is a deficit. The percentage of deficit would be the same, but the amount would not be; because if one of those debentures lapsed after paying $2.00—in other words, take the number of debentures you issue, six thousand debentures there—and you have a hundred and ninety-one thousand dollars deficit, you would have eighty dollars, or whatever amount it would be, you would have so much deficit on each debenture issued, because they had paid in $144.00; but if they had not paid in $144.00 the amount of the deficit would be correspondingly decreased, and to determine what percentage of lapses would be necessary to mature all of those debentures to put the company into liquidation after six months' operation or after one month's operation, you will find that by computation purely fixed at an assumed rate of interest.

Q. You don't dispute the proposition, as I understand it, that without counting lapses it will be impossible for the company
262 to start in by issuing a certain number of debentures and to redeem those debentures within a period of six years out of the money paid by debenture-holders?

A. From those particular debentures?

Q. Yes, sir.

A. No, sir; that goes without saying; that is a fact. In other words, if I understand your question correctly——

Q. Take one debenture or take the hundred debentures. I heard you say you made a calculation in regard to one hundred debentures. Let us suppose that a company starts in on the first month and issues one hundred debentures—each investor, each debenture-holder is paying to them $2.00 a month on his debenture for sixty

or seventy-two months. Now, the question that I ask you is, Supposing that these debenture-holders stand by their contract and comply with all their obligations, will the company from the money thus paid in by these debenture-holders be able to redeem those debentures and pay fifty per cent. profit to the investors upon the maturity of these debentures at the end of six years?

A. No, sir; most positively it would not.

Q. Then, that is about all that I want to ask.

By Judge ROGERS:

Q. Your honor eliminates the continuity of business.

By the COURT: When you reach the point of continuity of business I confess I am a little ignorant, because I don't understand it.

A. If those debentures were issued in accordance with the charter——

Q. You either promise in your charter to redeem these debentures in seven months or six years?

A. The charter shows if there is originally. If the com-
263 pany issues 100 debentures and stops business and don't issue any more; if it issues those 100 debentures under a guarantee that six years shall be the limit or time that the last one must run, it must protect that deficit by something. Unless that company is protecting it—well, as a matter of opinion, it is obtaining money under false pretences or it will have to depend on lapses to fill its contract.

Q. Will you refer me to the article in your charter providing that the debentures shall be paid?

A. Yes, sir; they are fixed dates.

Q. There is something in there about six years?

A. That is the old contract. As yet the company has not issued under any guarantee—the company has not placed them in a class or series by themselves. It has not stopped selling debentures and does not propose to do so. The fixing of that period of six years is based upon the continuity of business, and not upon the issuing of those debentures in numerical order, applying the redemption fund, or sixty-five per cent. of the whole amount received, to retire those debentures.

Q. You have issued twenty-six thousand already?

A. Yes, sir.

By Judge ROGERS: Go on, Mr. Williams, and make your explanation in your own way.

By the COURT: I thought Mr. Williams had finished his statement.

A. No, sir; I had not finished.

Q. Go ahead.

A. I asked if I could go into an analysis or would be allowed a little latitude in explanation of the debenture system.

By the COURT: I have no objection in the world.

A. I have only stated and offered two calculations show-
264 ing that, eliminating the guarantee period and eliminating lapses, debentures will pay themselves out in numerical order, giving the holders fifty per cent. profit on the money invested in a short time, enough to give them a reasonable interest ratio per annum.

Q. Let me ask you there, do you consider that if a man makes an investment and gets his money back with fifty per cent. profit at the end of twenty-two years, that that is a reasonable profit on his investment?

A. It is four per cent. compound interest per annum, because, remember, he has made his investment monthly.

Q. For how many months?

A. For twenty-two years. He continues to make the investment monthly for twenty-two years. Consequently the company has held his money for the average time of eleven years, and the oldest would under that continuity of business be twenty years. At four per cent. per annum it would be $480.00—that is, on an investment of $2,120.00 for eleven years, and fifty per cent. of your investment of eleven years is four per cent. per annum compound interest. The guarantee period under this system is a point fixed by deductions after taking into consideration the possibility that some of these debentures issued might not comply with their contract. Every precaution is taken to compel them to comply with their contract by imposing on those who fail a heavy penalty, at the same time protecting them, alleviating them that penalty as much as possible by offering them a fifty per cent. loan on the investment, the idea being to eliminate lapses entirely—to do away with them, preventing them if possible, and to continue in numerical order the redemption of debentures.

265 But we do know, as a matter of history and as a matter of fact, that in everything of this kind forfeitures do occur. We went back into the research of homestead companies, life insurance companies, banks, and every other financial scheme that has been operated in the world, and we found that lapses occurred or forfeitures for non-compliance with contract was a very fundamental thought that suggested the debenture system. This came from the Hungarian national banking system, where a man borrowed from the government, paying seven per cent. per annum interest for twenty-one years on the amount borrowed, and at the end of that twenty-one years his property was cleared. We found that history shows that people who paid for fifteen years forfeited and lost all their property; therefore, after taking into consideration the possibility of those lapses, the effect of those must be considered in the formation of the system, and in determining the guarantee period. Another point which had to be considered was the ratio of business, whether the company would do the same amount of business each year or not, or each month; that would vary the length of time a given debenture would run. We know that if the accelerated increase of business was fifty per cent. that debentures could never run beyond twenty-seven months; we know that if the ac-

celeration was 100% they would never go beyond fourteen months; but the calculation submitted so far upon an even basis of ratio, with no acceleration, simply shows the same given amount of business each year and each month; that shows the balance period or guarantee period would be something like fourteen years.

By Mr. RAINOLD:

Q. What shows that?

A. One of the calculations.

266 Q. Is that calculation in evidence?

A. Yes, sir; it is in evidence, marked "Table No. 2," but it makes no difference; any calculation that may be made will show this: That the balance period will be reached eventually, ultimately; I mean by the balance period the point where the reserve fund, the interest earnings on the reserve fund, plus the sixty-five per cent. of the current month's receipts will be sufficient to take up at 150% all debentures reaching that given point; whether that period will be six years or ten years or five years can only be determined by experience, and is a variability, necessarily dependent upon the factors controlling the business. These factors consist of ratio of increase in equality of distribution or per cent. or lapses or withdrawals and the earning power of money; or, in other words, the interest rate. When this point is reached, or I mean when the redemption fund plus the interest earnings on the reserve fund cancel- debentures had reached that given point, the age of debentures will decrease or the surplus piled up to the reserve fund. The N. O. Debenture Company, in starting under these conditions, fixed as an experimental period the six years or seventy-two months as a guarantee period, taking the precaution to revise its charter, giving it the right to extend that period if in its experience it found that it became necessary, at the same time guarding against the possibility of a deficit or deficiency by subscribing, putting up a guarantee fund to be known as the capital stock. In the beginning we knew if we sold 100 debentures and didn't succeed in selling any more, and none of those debentures lapsed, that at the end of six years from date of company's organization there would be thirty-five debentures in force, and if the interest on the reserve fund had

267 equalled six per cent. per annum, there would be a deficit of something like four thousand dollars, which would have to be met, would have to come from the capital stock. Consequently the company, with its capital of fifty thousand dollars, was perfectly safe in issuing all the debentures that could be protected by the capital, eliminating lapses. After four years and a half of experience, we find that the six-year guarantee period is still long enough or still ample, our interest earnings having been sufficient and the profit or elimination of liability by lapses combine to place the company in this position today: That if no debenture was sold—if not another was sold and the company goes into liquidation, her force or inertia or lack of new business, and only has the same percentage of lapses that it has had for the past five years, or

rather four years and a half, namely, an average of two per cent. a month—we find that the reserve fund, with the interest, would be sufficient to take up the last debenture, No. 27908, when it was seventy-two months old.

By Mr. RAINOLD:

Q. You have got that calculation?
A. I have it; yes, sir.

By Mr. RAINOLD: Counsel for the State objects to the statement. I want the calculation. I object to him saying such and such a thing is a fact, when it is his opinion.

By the WITNESS: I am not giving it as an opinion. It is calculated.

By the COURT:

Q. Have you got that calculation worked out?
A. Yes, sir.

268 By Judge ROGERS: There is no objection to his making his statement and then showing the calculation that he alludes to.

By the COURT: Have you got that calculation here, Mr. Williams?

A. Yes, sir.
Q. Well, let us have it.

(Witness produces document "D 5," which is offered in evidence by the defendant.)

Q. Let me understand you clearly. Did I understand you to say that if the company were today to stop business, except in so far as it is necessary to liquidate its affairs, and were to do nothing except to receive monthly installments upon the various outstanding debentures, that at the expiration of six years from the date at which the last debenture was issued it would be in a position, without recourse to its capital stock, to take up all the outstanding debentures?

A. No, sir; not without recourse to its capital stock. It would consume some twenty thousand dollars of the capital stock of the interest earnings did not exceed eight per cent.

Q. Would that result be accomplished without reference to lapses?

A. No, sir.
Q. And you would have to have two per cent. lapses?
A. Yes, sir.
Q. Two per cent. lapses and eight per cent. compound interest?
A. Yes, sir.
Q. On all the funds that you had available for interest purposes?
A. Yes, sir.

By Mr. RAINOLD:

Q. You mean two per cent. of the lapses per month?
A. Two per cent. of the amount in force.

269 Q. Per month?
A. Per month.

By the COURT:

Q. Making twenty-four per cent. a year?
A. No, sir; that would not give twenty-four per cent. a year.
Q. What per cent. would that make upon the whole number of the outstanding debentures?
A. It would be eighteen per cent. for the first year.
Q. Well, I know. But about how many upon the outstanding—say you have how many debentures outstanding?
A. Ten thousand five hundred. That was based on eleven thousand and nine in force.
Q. How many of those debentures would have to lapse between now and the date of the maturity of the youngest in order to work out your scheme?
A. I have not got it added up.
Q. Can't you give me some approximate idea of how many out of the eleven thousand?
A. Yes, sir; I can give you within one or two of it. It would be seventy-eight hundred redeemed; that would leave us——
Q. It would be something over thirty-two hundred?
A. Yes, sir.
Q. Thirty-two hundred or more than one-fourth would have to lapse, and then in order to make your scheme a success. In that way you have to get eight per cent. interest upon all the monies that you hold?
A. Yes, sir; that has been our past experience. That was only based on the assumption that I stated—of the past experience of the company in lapses.
Q. There is no difference of opinion between you and me as to the fact that these debentures give the right to the holder to call
270 upon the company for the redemption of the debentures at the expiration of seventy-two months, is there; don't you so understand that?
A. Certainly; yes, sir.
Q. There is no doubt about that?
A. None whatever.
Q. As I understand you, they have the absolute right to call upon the company and redeem those debentures in seventy-two months?
A. Yes, sir.
Q. And if I understand it, if all the holders of debentures outstanding comply with their obligations to the company by paying during these seventy-two months, which constitutes the life of a debenture, the monthly installment, it would result in the wrecking of the company—the company could not comply with its obligations?
A. Under one condition——
Q. And the only salvation for the company is that the other contracting parties or one-fourth of them will fail to comply with their obligations?

A. If I understand your question correctly, does that apply to the liquidation of the company stopping the sale?

Q. Yes, sir.

A. If the company don't issue another debenture and every debenture now in force keeps up its payment until it has reached redemption in numerical order, in six years there would not be enough money to pay them up.

Q. Nor would the capital stock be sufficient—$50,000.00?

A. No, sir.

Q. The only salvation the company — in the event that the debenture-holders comply with their obligations, at least in the
271 matter of liquidation, is that some of the debenture-holders will not comply with their obligations and the company will get eight per cent. interest on the money they hold?

A. That is the basis of calculation; that is on liquidation. Suppose, on the other hand, that the company is not going into liquidation, as the charter does not provide for liquidation after four years and a half. Eliminating lapses, suppose the company goes ahead with the business, and each and every one complies with the conditions and make their payments, and that the company is not in liquidation, but has new business to the extent of the mean average of the past five years—in other words, 500 debentures monthly is a mean average for the past business of the company. Suppose it goes on and increases its business to that extent of 500 a month, this number 27,908, the last one issued, and there were 11,000 in force, would each be paid in numerical order before they had reached their guarantee period of six years; the last one would be paid when it was sixty months old; and consequently the claim I make as actuary, if you please, for the company, that if the past experience of lapses is to be the future experience in cases of liquidation the company is perfectly safe if they do not have any lapses at all and are allowed to continue business only the mean average of the past five years; that every debenture now in force is absolutely protected under the six years' guarantee period.

Q. That is to say, if you get eight per cent. interest on your money?

A. Well, that calculation is based—it would make no difference. It would be pay solely from the redemption fund, not from the receipts at that point. When this last debenture became sixty months' old, it would be paid from the redemption fund,
272 leaving the reserve fund untouched. It need not have earned a dollar of interest under that proposition, so that with lapses and a continuity of business the last debenture issued by the company is safe to be paid in the six-year guarantee period, with lapses at the same ratio we have experienced, and we have been doing a prosperous business. On those who keep up we figure that one-fourth would receive their money with fifty per cent. profit.

By Judge ROGERS:

Q. Your calculation of interest is based upon past receipts of interest?

A. Yes, sir.

By the COURT:

Q. Haven't you testified here that all those securities were paying less than six per cent. interest?

A. Those securities that the company have at present are a temporary investment until we can find real estate or an eight per cent. investment for it. The funds arising from the sale of State bonds we could not keep it in bank. The finance committee decided to put it into something until we could get real-estate loans. The idea of the company is to put it out on real estate at eight per cent.

Q. Real estate is not paying eight per cent. Will real estate net more than six per cent. now?

A. It seems not that much. As a matter of fact, the interest earnings of the company from the time we commenced up to date speak for themselves, and calls for considerably more than eight per cent. on the total assets.

Q. The interest earnings—how is that?

A. The interest and amount credited to interest and dis-
273 counts, interest collected by the company to January 20th, is an amount largely in excess of eight per cent. of its assets—eight per cent. per annum on the investment arising, not from purely interest, but, for instance, to explain: We bought a hundred thousand dollars State bonds at an average at from 92 to 97; we collected three coupons and sold them at 106.

Q. In other words, you made speculative use of your money and made money; but suppose you bought them at 110, and had to sell them out at 75, how would that seem?

A. Our interest earnings would not show as greater profit as that.

Q. When you buy stock for the purpose of investment you sometimes lose money?

A. We have not made a loss yet.

Q. I have heard of people buying State bonds and losing a fortune.

A. We made twenty-four per cent. (By Judge Rogers.)

By the COURT:

Q. That is not interest, on any point of view. That is a mere speculative profit on an investment. You don't undertake to say that any company can operate upon the basis of investing money safely and regularly and earning eight per cent. of it, do you, Mr. Williams?

A. I don't think that financial corporations can count on earning eight per cent. That is only my opinion on it.

Q. Isn't that your experience in connection with this company?

Leaving out the profit that you made on bonds, buying at one price and selling at another, because I don't regard that as interest at all, have you made an average of six or seven per cent. on your earnings?

A. Yes, sir.

Q. How is it that all the assets you have now pay less than six per cent.?

274 A. Because, as I explained it, we have these assets only for the present, until we can do better. We are earning more than six per cent. on the amount invested on stocks and bonds. We are earning more than eight per cent., in our opinion, of profits. We count the loan fee as interest. We have eighty-two thousand dollars invested as loans to debenture-holders, all bearing eight per cent. interest, and the dollar fee in addition on each loan. That embraces, numerically, some seven hundred loans, which are made for ninety days, renewable, of course, at the option of the debenture-holder. The interest on that, with the one-dollar loan fee, which we consider as interest earnings, we credit to the account of interest and discount on our books. If a man has borrowed $7.00 on his debentures, and keeps it seven months, he has paid a four-dollar loan fee and fifty cents interest—considerably over fifty per cent. per annum. If a man borrowed a thousand dollars on debentures, hr would pay the eight per cent. per annum interest and the four-dollar loan fee. The interest varies from fifty per cent. per annum.

Q. How much money have you got invested in debenture loans?

A. Eighty-two thousand dollars.

Q. And your assets are something over how much?

A. Two hundred and sixty thousand dollars.

Q. One-third, or less than one-third, is invested at eight per cent.?

A. On debenture loans, in excess of eight per cent.

Q. Less than one-third is paying you something over eight per cent. How much does the other two-thirds pay you in interest?

A. The amount invested in real-estate loans is bearing eight per cent.

275 Q. How much is that?

A. We have it in the record.

By Mr. PIERSON: Here is a calculation which you have and which was not filed. What is that calculation?

A. That is a calculation showing a liquidation, with the lapse ratio of two per cent. and no new business.

By Judge ROGERS: Based on our present and past experience?

A. Yes, sir.

By Judge ROGERS: Counsel for defendant, in connection with testimony of this witness, offers, produces, and files in evidence document marked "D 6."

By the COURT:

Q. How much percentage does that make on the business per annum?

A. Two per cent. on the amount in force each month. On a given amount for the first twelve months that would be eighteen per cent. of the original initial amount you start out with.

Q. Suppose you have in force, as you have, say approximately 11,000 debentures, what percentage per annum does that two per cent. represent upon the 11,000 debentures? How many debentures out of 11,000 would be lapsed every year. Let us come to some sort of a plain statement.

A. The first year 2,064 would have lapsed.

Q. Out of 11,000?

A. Yes, sir; out of 11,000.

Q. And the second year?

A. Fifteen hundred and one.

Q. Well, is that the calculation whereby you work out the redemption of these outstanding debentures at the end of six years?

276 A. Yes, sir.

Q. And you say that in order to do so the first two years you must have thirty-five hundred and one of the debentures to lapse?

A. No, sir; I mean that this calculation shows with that lapse ratio of two per cent. of the business in force—as a matter of fact, all the lapses might occur in the three years—in the third year, and our experience has been that lapses do occur most between the second and fourth year.

Q. Is it necessary that you should have a ratio of two per cent. of lapses per month during the six years to work the thing out?

A. No, sir; you may have a ratio of lapses of twenty per cent. in one given year, but it is based on the average of our past experience, and the minimum percentage per month of lapses to liquidate a given number of debentures in the guaranteed period of six years.

Q. In order to pay the outstanding debentures, if you stop business now, how many of them must lapse? That is what I am trying to get at.

A. That would depend entirely on when those lapses occurred. If they occurred at the ratio of two per cent. per month this calculation would show the numbers.

Q. How many according to your calculation?

A. According to this calculation?

Q. What would be the total amount that would lapse during the six years in order that you may pay and redeem those that did not lapse?

A. There would be 1,124 the third year.

277 Q. 2,000 the first year, 1,500 the second year, 1,124 the third year——

A. 902 the fourth year and 327 the fifth year.

Q. That would be all?

A. Yes, sir.

Q. Then, Mr. Williams, either you are mistaken or else you misunderstood me a little while ago, because a little while ago I asked you how many of the whole number of outstanding debentures it

would be necessary to lapse in order to enable you to liquidate by paying out to those that did not lapse at the end of six years, and you said approximately thirty-two hundred, and this calculation gives a great many more than thirty-two hundred.

A. Yes, sir; about fifty-four hundred.

Q. Either you misunderstood me or you are in error when you said thirty-two hundred.

A. Well, I made a long subtraction.

Q. What is the total amount necessary to lapse?

A. There is two thousand and sixty-four, 1,501, 1,124, 902, and 327——

Q. That makes 5,918?

A. That is the number provided they lapse at that ratio of two per cent. per month. Of course, enough may lapse in one year to make this sum of two per cent., amounts to two per cent. of the income.

Q. And it would be necessary, then, in order for you to liquidate by redeeming outstanding debentures at the maturity of six years that five thousand nine hundred and eighteen out of the ten or eleven thousand now outstanding should lapse, and that you
278 should get eight per cent. interest on the money that you have for the purpose of redeeming all that would continue to that period?

A. In this calculation, taking that same number of debentures, starting the same date, showing without any lapses, but taking the mean average for the past four and a half years as a basis for new business, eliminating interest entirely, it shows that the 11,009 debentures will be paid before they have reached six years, the guarantee period, from the redemption fund alone.

Q. I understand that. If you take in enough money to pay them, you could do so. If the company would sell enough debentures in one year they could pay them out in one year?

A. Yes, sir.

Q. In other words, whether you redeemed them or not from the redemption fund would depend upon the number of debentures you sell?

A. Entirely; but if you make a calculation on a basis of selling 500 debentures a month, you must confine yourself to 500 a month; on that basis it would give the exact date at which each of these debentures would be paid. The demonstration of this calculation, taking the past experience of the company as a basis, lapses among the debentures at present on the books, is not essential.

By Mr. PIERSON: Counsel for defendant offer and file in evidence document marked "D 7."

By Mr. PIERSON:

Q. Let me ask you a question: Now, this is a calculation (D 6), predicated upon a liquidation—if the company should cease to do business on the 20th of December, 1898?

A. Yes, sir.

279 Q. Upon the hypothesis that it sells no more debentures.
A. Yes, sir.
Q. And it stops right there and liquidates according to the contract for the redemption of its debentures as issued and outstanding at that date?
A. Yes, sir.
By Judge ROGERS: Taking our past experience as a basis?
A. Yes, sir.

By Mr. PIERSON:

Q. What is the showing of the company on that date if the debenture-holders should elect to call for their money under the contract? If the debenture-holders called on the 20th day of December, 1898, what amount would it take to redeem them under that plan?
A. Some two hundred and eight thousand dollars.
Q. What amount of available funds has the company on hand to redeem them with under that plan?
A. Two hundred and sixty thousand dollars.
Q. Then I understand that on the 20th day of December, 1898, there were available funds in the hands of the company to take up each and every debenture under the election of the debenture-holders, should they elect to ask for their money?

By Mr. RAINOLD: You mean with fifty per cent. profit?
By Mr. PIERSON: I mean exactly what the contract states. If I was a debenture-holder with ten shares in the company one year old, my monthly payments made up to December 20th, 1898, and I called for my money before the maturity of these debentures, would the company be in a situation to take up those debentures from me?
280 By the COURT: Divide the question in two and answer in this way: First, if he called for all the money he paid in; and next, if he called for fifty per cent. of the amount he paid in; so that he can understand.

By Mr. PIERSON:

Q. What amount of the money that I paid in would I be entitled to?

By Mr. RAINOLD: No, sir; I object because this is calling upon the witness to express his opinion as to the legal interpretation of the charter.
By the COURT: The court sustains the objection.
Counsel for defendant reserve a bill.
By Mr. PIERSON: Then I can only ask the question in the form of surrender value?
By the COURT: I think if you want to find out how much money they have and whether they would have enough to pay a given sum, I think you can ask him that question; I think that it would be competent.

By Mr. PIERSON:

Q. Assuming, then, that the surrender value is fifty per cent. of the amount the debenture-holders have paid into this company, was the company, on the 20th of December, 1898, in posses-
281 sion of sufficient funds to meet all the debentures outstanding on that date?

A. Yes, sir; the company had sufficient funds to meet the condition.

Q. Do I understand that the company did not elect to liquidate their affairs on the 20th of December, 1898?

A. No, sir; they did not.

Q. They continued in business?

A. Yes, sir.

Q. Upon the hypothesis that they did continue in business for an indefinite period under their charter, from what funds in the regular order of their business will the outstanding 11,000 debentures on December 20th, 1898, be redeemed?

A. From the redemption fund.

Q. Will any portion of that be redeemed from the reserve fund?

A. No, sir.

Q. Why not?

A. Because sixty-five per cent. of the receipts will be sufficient to take up the debentures in numerical order before they had reached the period of six years or before they had been in force for seventy-two months.

Q. Then I understand, under your plan and system of business, you cannot touch the reserve fund until after a debenture has reached six years of age?

A. Yes, sir; and not then unless the redemption fund for the current month was not sufficient to meet the redemption value of all the debentures then reaching that period.

Q. Then you have to exhaust the redemption fund before you can resort to the reserve fund, as I understand, under your system?

A. Yes, sir.

282 Q. Under that system you say that the outstanding debentures against the company would all be redeemed from the redemption fund and not from the reserve fund?

A. Yes, sir; all the debentures in force at this day.

Q. On the 20th of December, 1898?

A. Yes, sir.

Q. They would be redeemed from the redemption fund and not from the reserve fund?

A. Yes, sir.

Q. What would be the age of the oldest one of these outstanding debentures when it would be taken up in the regular order of business?

A. If you mean, Judge, taking the past experience——

Q. Yes, sir.

A. Sixty months.

Q. It would be sixty months old when you redeemed it?

A. Yes, sir.

Q. It would lack twelve months of maturity then?

A. Yes, sir.

Q. At what period of time from your calculation, in the regular order of the business of the company, would the first debenture reach the age of six years or seventy-two months? What period of time in the existence of your company now?

By Mr. RAINOLD: He means how old the company would be.

A. About thirty-six years.

By Mr. PIERSON:

Q. I don't think you exactly understand the question. Taking the run of the redemption in the regular order, how long would it take a debenture to run seventy-two months under your system of redeeming from the redemption fund? How long would
283 your company have to be in business before that could be reached?

A. It could not be under thirty-six years.

Q. In the regular order of your business?

A. Yes, sir; in the regular order of business.

Q. What length of time now with the reserve fund, as provided for in your plan of business, at six per cent. annual interest, compounded annually, would it take the reserve fund to equal the value of the outstanding debentures between the selling and the redemption number?

A. Twenty-two years and a fraction. I don't know if I construe your question exactly. Do you mean how long would it take fifty cents to equal eighty-five cents? In other words, how long would it take the reserve fund, the twenty-five per cent. apportionment, to equal the difference between the sixty-five per cent. redemption fund and the 150%?

Q. Yes, sir.

A. It would be the length of time necessary for the original fifty cents to amount to eighty-five cents, or one dollar to three dollars and forty cents—that is what it would be. That $1.00 would amount to $3.40 at six per cent. per annum interest. That will take twenty-one years. $1.00 at six per cent., compounded annually, will equal $3\frac{39}{95}$, practically forty cents. At twenty-two years it would be $3.60.

Q. From what table are you reading that now?

A. From Robinson'- building loan interest table.

Q. Is that a mathematical computation?

A. Yes, sir; accepted as standard by all the accountants and communities.

By Judge PIERSON: Counsel now offer in evidence a copy of Robinson's building loan interest table on behalf of de-
284 fendants.

Q. Now, from the first year that your company began business under the system that it is pursuing and under the system adopted for its business the reserve fund in twenty-two years invested as it

accumulates at six per cent. compound interest will equal the value of the outstanding debentures against the company in twenty-two years?

A. Yes, sir.

Q. And the debentures will not reach seventy-two months age before thirty-six years?

A. Yes, sir.

By Mr. RAINOLD: Is that your computation of yours in evidence?

Counsel for the State objects to the witness testifying unless he puts that computation in evidence.

By the WITNESS: It is in evidence by deductions; it is a fact. It is in evidence not under that head, but by deduction as a result of those other calculations.

By Mr. PIERSON:

Q. I understood you to say a little while ago that it will take thirty-six years for a debenture in your company under its present plan, for a debenture to reach the age of seventy-two months?

A. Yes, sir.

Q. And that the reserve fund at six per cent. per annum interest, compounded annually, in twenty-two years would amount to the value of the outstanding debentures in the company at twenty-two years?

A. Yes, sir.

Q. The thirty-six years is predicated upon the past ex-
285 perience of the company, is it not?

A. Yes, sir.

Q. And you would have to have the same ratio of increase of business in the future that you have experiences in the past, wouldn't you?

A. Certainly. Well, not the same ratio of increase; that calculation is based on the same mean average business of the past. The acceleration of business before that period goes very much further than that.

Q. So that when the company amended its charter, so as to allow it to enlarge the six-year period for the maturity of debentures, it did it only as a precautionary measure?

A. Entirely so, sir.

Q. But up to the present time the company has not seen fit or seen the necessity for enlarging the period of maturity?

A. That is correct.

Q. And under the present ratio the reserve fund, at six per cent. interest, compounded annually, will meet the outstanding debentures—will equal the value of the outstanding debentures of the company before any debenture will reach the age of seventy-two months?

A. It will; yes, sir.

Q. Is there a table showing that computation of yours in evidence?

A. Showing it by deduction?
Q. Is it filed in evidence?
A. Yes, sir.
Q. Well, until the debenture reached the age of seventy-two months under your plan of business, the reserve fund cannot be taken for the redemption of debentures?
286 A. No, sir; and not when a debenture reaches seventy-two months, unless the redemption fund is insufficient to meet the then maturing debentures.
Q. So that, if I understand you now, if the company continues its business in the future with the same success it has experienced in the past, the present outstanding debentures will be redeemed from the redemption fund and not from the reserve fund?
A. Yes, sir.
Q. You were one of the original subscribers to the corporation, were you not?
A. I was.
Q. One of the original incorporators?
A. Yes, sir.
Q. One of the signers of the charter?
A. Yes, sir.
Q. One of the incorporators—one of those who signed the charter? Those that signed the charter were incorporators?
A. Yes, sir.
Q. There were twenty of them, I believe, were there not?
A. Yes, sir.
Q. Original subscribers?
A. Yes, sir.
Q. Who incorporated this company?
A. Yes, sir.
Q. I see in the charter article four, which declares the purposes and objects of the corporation. Have you got the charter there? I call your attention to article four. Just read it.
A. Yes, sir (witness reading article 4).
Q. Was that article in the original charter that you and
287 the others signed?
A. Yes, sir.
Q. How long had you had under advisement, you and those incorporators who signed with you, the plan of business which you adopted by that charter and entered upon the pursuit of?

By Mr. Rainold: I object on the ground that it is irrelevant and immaterial.

By the Court: The court has already ruled that no further testimony of that kind will be admitted. He permitted Mr. Orme's statement for that purpose the other day, but it don't think it is material to this case, and therefore sustains the objections to any further testimony on that line.

Counsel for defendant reserves a bill to ruling.

Q. At the time of the organization and when you signed the charter did you know* suspect of any illegality of the business?

By Mr. RAINOLD: Counsel for the State objects on the ground that it is immaterial and irrelevant and that it calls for the opinion of the witness.

The court sustains the objection. Bill reserved.

Q. Was there any other member of the incorporators, to your knowledge, that knew or suspected any illegality in connection with the business that you were about to pursue?

By Mr. RAINOLD: Counsel for the State object on the ground that it would be a mere matter of opinion, and the witness has been testifying as to what was in somebody else's mind.

The court sustains the objection. Bill reserved.

Q. What is there illegal in the transaction of your business that you know of, even since its organization?

By Mr. RAINOLD: I object. The question calls for the
288 opinion of the witness.

The court sustains the objection. Bill reserved.

Q. Have you been the secretary of this company ever since its organization, Mr. Williams?

A. Yes, sir; I have.

Q. Secretary-treasurer?

A. Not treasurer from the beginning; the office of secretary and treasurer was combined a few months after the company commenced operation.

Q. And since that time——

A. I have occupied the position of secretary-treasurer.

Q. Receiving all its monies and making out its checks?

A. Yes, sir.

Q. And keeping it on deposit?

A. Yes, sir.

Q. Is there any gambling in connection with your business, Mr. Williams?

By Mr. RAINOLD: I object. This calls for the opinion of the witness on the character of the business, and his opinion is not relevant.

The court sustains the objection. Bill reserved.

By Mr. PIERSON:

Q. Can you mention any transaction that the company has ever engaged in that you can cite as a business involving in any way a gambling transaction?

By Mr. RAINOLD: I object because it calls for the opinion of the witness.

Q. The court sustains the objection. Bill reserved.

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*Should be *not*.

Q. Do you know what a stock broker is, Mr. Williams?

By Mr. RAINOLD: I object on the ground that whatever
289 the witness may testify to as to what his opinion of what a stock broker is is not evidence in this case.

By the COURT: I don't know that that is objectionable.

Counsel for the defendant states to the court that his object in asking this question is to find out from this witness, first, whether he knows what stock jobbing is, with a view of asking him then the further question whether this company has, to his knowledge, ever engaged in any stock-jobbing transaction. This question is objected to by counsel for the plaintiff on the ground that it is irrelevant. The court is of opinion, in view of the statement made by counsel for the defendant as to his purpose in asking this question, that the objection is well taken, the averments of the petition in this case being, not that this company has at any time engaged in any specific transaction which was of a stock-jobbing character, but that the business contemplated by the charter, the whole business of the company, is in its nature stock jobbing, and therefore, whether the company has on any particular occasion engaged in any matter of stock jobbing—in any transaction which might be termed stock jobbing—is apart from any other matter that this court has before it for investigation. It is not charged that the company has violated the terms of its charter by going out of its way and doing a stock-jobbing business, but the averments is that the character contemplates stock jobbing, and the objection is therefore sustained.

Counsel for defendant reserves a bill of exceptions.

Q. You say at the time that the company was organized that a call of ten per cent. of the capital stock was made?

A. Yes, sir.

Q. To be paid how?

290 A. Five per cent. on the 1st day of October and five per cent. on the 1st day of November, 1894.

Q. That was considered cash?

A. Yes, sir.

Q. That was the day your company opened out for business?

A. That was the first meeting of the board of directors.

Q. They called for five per cent. cash?

A. Yes, sir.

Q. The other five per cent. was how long after?

A. Thirty days thereafter.

Q. Well, how was that met?

A. By cash or promissory notes of the stockholders.

Q. How long after that, now, was it before a dividend of five per cent. was declared?

A. Two years and a half.

Q. Some two years and a half after that?

A. Yes, sir.

Q. The five per cent. dividend was declared in favor of the stockholders?

A. Yes, sir.

Q. How long before that was the call made for the balance of the stock?

A. From two months—sixty days.

Q. Sixty days before that?

A. Yes, sir.

Q. The call for the eighty-five per cent. was made at one meeting of the board of directors?

A. Yes, sir.

Q. And a resolution calling for it was introduced by whom, do you know?

291 By Mr. RAINOLD: The resolution is the best evidence.

By Mr. PIERSON:

Q. How long was it after that resolution was introduced before the resolution was introduced authorizing the stockholders to borrow ninety per cent. on the amount of their stock?

A. One month afterwards.

Q. When the call for the eighty-five per cent. was made what length of time was allowed the stockholders to make the payment?

A. Thirty days.

By Mr. RAINOLD: Counsel for the State objects because the resolution speaks for itself.

Q. How long was it after that resolution was passed before the call for the eighty-five per cent. was met by the stockholders?

A. A few days elapsed only, except in the case of one subscriber, which was Mr. Herwig, who was in Washington at the time. He did not respond promptly; in fact, he did not get his call notice. His payment was not made until September.

Q. None of them responded to that call before the thirty days, did they?

A. Yes; a few of them a few days before the thirty days expired. I think the thirty days expired on the 17th, and the first payment was made on the 15th.

Q. Did any of the stockholders pay up their call under the eighty-five per cent. call before the introduction of the resolution authorizing the loan?

A. Yes, sir.

292 Q. Some of them did pay up their stock?

A. Yes, sir.

Q. Can you state whether or not the loan was contemplated by any member of the board of directors at the time the call was first made for the eighty-five per cent.?

By Mr. RAINOLD: I object because the witness cannot testify what was in contemplation of his brother directors.

By the COURT: The objection is sustained.

Bill reserved.

Q. Do you know whether or not any member of the board of directors had in contemplation the loan at the time the call of eighty-five per cent. was made?

By Mr. RAINOLD: I object because the evidence is mere hearsay If he heard it from his brother directors, he cannot testify concerning it; and if he didn't hear it, he cannot guess at it.

By the COURT: The court sustains the objection. The court don't think it is admissible.

Bill of exception reserved.

Q. You were not a member of the board of directors, were you, Mr. Williams?

A. I was secretary of the board; I attended the directors' meetings.

Q. You were secretary?

A. I was secretary; yes, sir. I was not a member of the board—not as a director.

Q. Did you pay up your stock call of 85 % before the resolution for the loan was made or afterwards?

A. It was afterwards.

Q. Did you pay the eighty-five per cent. ca l on your stock?

293 A. Yes, sir.

Q. You paid for it with your check, I believe you stated?

A. Yes, sir.

Q. Did you have funds in bank to meet your check?

A. I don't know.

Q. You didn't have it at the time?

A. At the time I drew the check?

Q. Had you made any arrangement with the bank to honor your check?

A. No, sir.

Q. What arrangement did you make afterwards?

A. I made a deposit afterwards.

Q. Made a deposit for it?

A. Yes, sir.

Q. Was that from the loan of the company?

A. Yes, sir.

Q. You deposited that and your check was paid with that money?

A. Yes, sir.

By Mr. RAINOLD:

Q. It is what is known as kiteing?

By Judge RODGERS: It is not what is known as kiteing.

By Judge PIERSON:

Q. At the time of the call of the eighty-five per cent. did you know anything personally of your own knowledge of the intention to make a loan by the company to you?

By Mr. RAINOLD: I object on the ground that he cannot give any intention of a corporation; none can be given, except through resolutions of the board.

294 By the COURT: I am inclined to think it is irrelevant, but if you desire to have it go in, you can do so.

By Mr. RAINOLD: I reserve a bill. It is hearsay.

By the COURT: The question is, I believe, that at the time this resolution calling in the eighty-five per cent. you knew of no intention on the part of the company to make loans to the various subscribers equal to ninety per cent. of their subscriptions to the stock?

A. I don't know whether they were going to make a loan or not. I knew there were some of the subscribers that they would only be too glad to make loans to. I didn't know whether they were going to make me a loan.

Q. That is not really an answer to the question. It is impossible for him to answer that question. Answer it the best way you can.

By Mr. PIERSON:

Q. Did the board of directors have a finance committee?

A. Yes, sir.

Q. Who was on that finance committee at the time this call was made and the loan was authorized?

A. I have the book, and the record shows that.

Q. Look at your book and tell me who the finance committee was.

A. There were present at that meeting Messrs. Waiss, Saxon, Villere, Graham, and Rogers.

By Judge RODGERS: I was not a member of the committee.

A. The president and the attorney were both *ex officio* members. Villere was present at that time. The three members of the committee present were Waiss, Saxon, and Graham.

By Mr. PIERSON:

Q. Mr. Williams, I understood from you a little while ago
295 that lapses and defaults on the part of debenture-holders were inevitable in a business of this kind; that they always resulted?

A. Yes, sir.

Q. Did I understand you correctly?

A. You did; lapses or forfeitures.

Q. Or defaults—that is, where the debenture-holders failed to comply with their obligations to make the monthly payments?

A. Yes, sir.

Q. Where the defaults on his payment you state they are the incidents of all business of this kind?

A. Yes, sir.

Q. Are they incidents in insurance business?

A. Yes, sir.

Q. And in long mortgages. Did you ever have any experience in long mortgages—ten or twenty year mortgages?

A. Yes, sir.

Q. Where the mortgagee pays up annually?

A. Yes, sir; I have had a good deal of experience in that line.

Q. Can you give us the ratio in the long-year mortgages—what per cent. usually default in payment?

A. I made forty for an English firm, or rather a German syndicate, represented by a firm in Memphis, Tennessee; in Arkansas and Louisiana. I negotiated and placed forty of those mortgages

They were on ten and twenty years. To my certain knowledge, all of them defaulted in five years.

Q. Then there is a larger percentage of defaults in that class of contracts than there is in debentures?

A. Yes, sir; in accordance with our experience in debentures.

Q. The defaults on the part of debenture-holders has to be provided for in a business of that sort, does it not?

296 A. Unquestionably.

Q. They will occur?

A. Yes, sir.

Q. There is no business that could be carried on of that sort unless incurring them?

A. No, sir; it would be impossible to conduct a business without having lapses or forfeitures.

Q. How else can they be provided for except by forfeitures and lapses? What you call lapses is where you pay nothing at all.

A. I call all forfeitures lapses or defaults.

Q. They are really defaults?

A. No, sir; as far as we have gone we have separated the two in my business; one into lapses and one into surrenders.

Q. The lapses referring to those cases are those which have not made seven months' payment?

A. Yes, sir; seven or more.

Q. And the forfeitures to those which have made more than that amount of payments?

A. Yes, sir.

Q. The company paying nothing for those that occur as lapses and fifty per cent. for those that occur as forfeitures?

A. As surrenders; that is correct.

Q. How else could these eventualities be met with equality and justness to the debenture-holder?

By Mr. RAINOLD: I object on the ground that it is calling for the opinion of the witness as to what is equality and justice between debenture-holders.

By the COURT: I think the objection is well taken. I think the testimony is irrelevant entirely.

Bill of exceptions reserved.

297 Q. How could the plan of your business be carried out and they redeem as other debenture companies under your system?

A. By Mr. RAINOLD: I object.

By the COURT: I think that the question is competent.

Counsel desires to prove that the business of the company cannot be carried out without a certain proportion of the debentures are lapsed or forfeited; that the company could not liquidate its business, beginning at the present, by paying at maturity the debentures now outstanding unless a large percentage of those debentures were forfeited and unless the company earned 8 % on the money at its disposal.

A. That 8 %, that would leave thirty thousand dollars of the fifty thousand dollars cash capital still on hand, which, of course, might cover the difference between 8 % and four per cent. interest; otherwise that is correct, or whatever the interest might have been.

Q. I don't know whether I made myself understood, but I want to know this: I believe on the 20th of January there were 11,000 debentures outstanding. What I wanted to know was whether the company stopping business on the 20th of January and devoting itself exclusively to liquidating its affairs as between itself and its debenture-holders, in accordance with the terms of the contracts represented by the outstanding debentures, whether from the money paid in by these debenture-holders, together with the reserve fund on hand, the company will be able to pay out these debentures at maturity, without taking into consideration lapses and forfeitures. What would be your answer to that question?

A. No, sir.

298 Q. There would not be?

A. No, sir.

Q. And then I asked you what percentage of the debentures it would be necessary should be lapsed or forfeited in order that the company might redeem the balance; and, as I understood you, you stated some ratio, which applied to the business heretofore done, 5,918 of them would lapse?

A. That is correct.

Q. And also you said, as I understood you, and in order to pay the balance of those outstanding debentures it would be necessary for the company to earn upon the funds in its possession 8 % interest?

A. I only make this point in submitting that calculation based on that assumption or that condition that I show is the result from that calculation. There would still be some thirty thousand dollars cash on hand after they were all paid.

Q. That is to say, that might be applied to the capital stock?

A. Yes, sir.

Q. If you had that number of lapses and forfeitures and you got eight per cent. interest on the capital and reserve fund and on everything else in your possession, on that contingency there would be $30,000.00 left?

A. Yes, sir.

By the COURT: Now, going back to the question asked by counsel for the defendant company, the court, for the further reason stated, rules that the question is admissible.

By Mr. RAINOLD: I reserve a bill.

Q. (Repeated to the witness.)

A. I know of no other way to meet them.

Q. It would not do to redeem them on a parity with the
299 other debenture-holders who had not defaulted—could not pay under your system—without violating the system?

By Mr. RAINOLD: I object because it calls for the opinion of the witness.

By Mr. PIERSON: I withdraw the question.

The hour of adjournment having arrived, this cause was continued until Wednesday, February 8th, 1899.

300 WEDNESDAY, *February 8th*, 1899.

J. P. WILLIAMS, Esq., cross-examination resumed.

By Judge PIERSON:

Q. Mr. Williams, has this company ever defaulted in any of its obligations to debenture holders or creditors?

A. No, sir.

Q. It has never defaulted at any time; it has always paid its obligations promptly?

A. Yes, sir.

Q. In relation to the payment by you of your capital stock, calling attention to the capital stock that you paid up by paying eighty-five per cent., what amount did you have to your credit in bank at the time you drew that check on the bank?

A. I had $1,238 and some cents to my credit at the time I drew the check in favor of the company, which I testified about on yesterday that I did not have twenty-two hundred in bank when I drew the check, but I had made arrangements for the loan of the company, and I had twelve hundred and thirty-eight dollars to my credit in bank at the time. I could have made this loan from several other places, but the company wanted the investment; the collateral was considered good. I had arranged to make the loan for them. I could have borrowed it from other places, for the stock was worth $150.00 a share at that time.

Q. And your stock was pledged for security of the loan?

A. Yes, sir.

Q. Well, was the reason that you didn't make any arrangement with the bank because the loan was proposed to be made by the company to you?

301 By Mr. RAINOLD: I object on the ground that the reasons of the witness doing a certain act, as he did, is not relevant.

By Mr. PIERSON: I want to get at the facts.

By the COURT: The objection is overruled.

To which ruling counsel for the State excepts and reserves this note in lieu of a formal bill.

By the COURT:

Q. What collateral do you speak of?

A. I speak of the stock.

Q. The stock was regarded as good collateral when it was paid?

A. Yes, sir.

Q. You don't mean to say you could have gone out and raised $2,100.00 on stock on which only five or ten per cent. was paid?

A. I would only have to raise about one thousand dollars, and I

could have borrowed it outside of the company—on the stock of the company.

Q. On stock that had not been issued?

A. No, sir; after it was issued.

Q. But you had to pay for it before it was issued?

A. Certainly. I could have borrowed the money until the stock was issued by giving my check to the bank, and I could have put the money in bank and met that check when it was presented.

Q. Could you borrow money on stock that was not issued and on which you had only paid up to that—how much had you paid up to that time?

A. Fifteen per cent.

Q. Well, how much money could you borrow on that stock in that condition of fifteen per cent. paid up?

A. I could not borrow any on it in that condition. I could have borrowed on it after it was issued. After I gave my check to
302 the company the certificate was issued to me, and I could have taken it and gone on the street and borrowed $2,250.00 on it.

Q. Would you consider, as the secretary of the company, you knowing all the circumstances and the facts—would you consider that a person who gave you a check when there was not funds in bank to meet the check, was paying a subscription on the stock, no arrangements with the bank to pay the check having been made, would you consider that a payment of the 85%?

A. If the check had been tendered, I suppose I would have had a right to require a certified check from the bank.

Q. I suppose you are enough of a business man to know that a check not drawn against any fund and not drawn as the result of an agreement or payment is not a payment?

A. It is not a payment unless the check is met, but if the arrangement is made before or after the check is drawn, I don't think that it would make any difference.

Q. As the secretary of the company, would you feel authorized to issue to a man a certificate of stock and take his check in payment of that subscription, if you knew that there was no money in bank to meet the check, and that no arrangement had been made with the bank to meet the check?

A. No, sir; I would not.

By Judge ROGERS:

Q. As a matter of business, Mr. Williams, when you state that you could have arranged to borrow money to take up your stock if the company had not allowed you to make the loan, the judge having asked whether you would draw a check or accept a check when you didn't have the money in bank, is not the arrangement with the person from whom you borrow to pay your check or to hold your check over, your stock to be delivered to them, to be
303 held as security, in bank—is that not a customary matter of business?

A. Yes, sir; as a matter of business; that is done every day.

By Mr. PIERSON:

Q. I understand you to say——

By Mr. RAINOLD: I object because it is not pertinent to the issue.

By Mr. PIERSON:

Q. I understood you to say that the reason why you didn't borrow from other sources was because you had made arrangements to borrow money, because the company had arranged to loan you ninety per cent.?

A. Yes, sir.

By Judge ROGERS:

Q. You don't mean to convey the idea that you were going to draw a check of twenty-two hundred and odd dollars against only thirteen hundred dollars?

A. No, sir.

Q. If the company had not agreed to make this loan, you would have got it elsewhere and paid for this stock?

A. If I had known that this check, when presented to the bank, would not have been paid, I would not have drawn it. I explained that to the court.

By the COURT:

Q. The question is whether the check was substantially paid out of the company's account.

By Judge ROGERS: It was a simultaneous affair.

By the COURT: The practical effect of which was that Mr. Williams was drawing his check on the company's account instead of his own?

304 By Judge ROGERS: The company had his note.

By Judge PIERSON:

Q. But you would have made arrangements on the outside but for this proposition of the company to loan you ninety per cent.?

A. I certainly would.

Q. And the manner in which you did do it was a matter of mere convenience?

A. Entirely so.

By Judge ROGERS: You have a statement to make, Mr. Williams?

A. I would like to make a statement to the court in explanation of the calculations filed yesterday, in answer to questions from the court as to the condition of the business, were it forced into a liquidation today. The explanation is this: That that calculation is based on the actual condition of the company as *they* exist- today; not only its condition today, but its experience for the past, which will give us a reasonable right to expect the continuity of the same business in liquidation. On that two per cent. lapse——

By the COURT:

Q. When you started in business in 1894 you didn't have this experience behind you?

A. No, sir; we had no experience. The only experience we had was of similar contracts of corporations, institutions conducting similar business, and we only had their experience as a basis of expectancy, and this calculation was based upon the result of our own experience.

By Mr. RAINOLD: Which calculation—"D 1," "D 2," "D 3," "D 4," or what?

A. It is marked "D 6."

305 By Judge ROGERS: Mr. Williams, go on now.

A. That, as I explained, is taking the continuity of our past experience, only showing what that two per cent. lapse —; but in the business of the organization of promulgation of the system liquidation was not contemplated at the end of four years. We of course took into consideration the probability of some lapse or a basis of one per cent. lapse. The continuity of business and one per cent. lapse at the end of twenty-seven years the oldest debenture would be five years old, and the company at that time could go into liquidation.

By the COURT:

Q. That term "one per cent. lapse" is very misleading. You on yesterday spoke of a two per cent. lapse. When you speak of a two per cent. lapse it seems like a very small percentage, and yet when you came to express that two per cent. in figures with reference to its ratio as compared to the whole amount of holders it turned out that that two per cent. meant that twenty-five hundred and odd policies must lapse out of eleven thousand.

A. I meant two per cent. a month. I tried to be fair and explain myself fully.

Q. Your testimony is very fair.

A. I don't intend to be misleading. It is probably a misconstruction of the term. I mean by a two per cent. lapse two per cent. on each date of the payment of each installment, or, in the case of one per cent., 1% of the business in force each month.

Q. Two per cent. or one per cent., as the case may be, per month on all the business in force?

A. Yes, sir.

Q. That would be twenty-four per cent. a year at least. Two per cent. a month, ordinarily speaking, is twenty-four per cent. a

306 year it would be on that basis?

A. No, sir; two per cent. a month would mean eighteen per cent. per annum upon a given number of anything.

By Mr. RAINOLD: That is right, your honor; it is always two per cent. of the remainder. It is eighteen per cent. per annum. It is only after deducting two per cent. and taking two per cent. of the remainder for twelve times. He is right, it is eighteen per cent.

By the COURT:

Q. If I borrow a hundred dollars and pay two per cent. a month interest, how much does that amount to?

By Mr. RAINOLD: That is a different way. His way it would only make eighteen per cent.

By the COURT: The percentage of two per cent. per month reducing it in that direction?

By Mr. RAINOLD: It would amount to about eighteen per cent. on the dollar.

By the COURT: I took it to be twenty-four per cent. per annum. I was thinking of two per cent. interest on a given sum.

By Mr. RAINOLD: The witness is correct in that statement.

By Judge ROGERS: One per cent. a month would be approximately nine per cent. in twelve months, on the whole.

By the COURT: I get a much better idea when I found that what you refer to as two per cent. lapse on 11,000 outstanding debentures means that 5,918 policies must lapse.

By Judge ROGERS: That means getting fifty per cent. back?

A. On that basis it would mean that fifty per cent. practically of the number of debentures issued would be eliminated by for-
307 feitures, and would receive fifty per cent. on their money back. The twenty-five per cent. would be the earnings from lapses and the balance from interest. On one per cent. a month of the business in force the earnings of the company from lapses would be twelve and a half per cent., and the balance would be in interest. As I stated, the contemplation was a continuity of business. On a calculation of one per cent. a month lapse, we find at the end of twenty-seven years——

By Mr. RAINOLD: Have you made that calculation?

A. I have.

Q. Have you it with you?

A. Yes, sir.

By Mr. RAINOLD: I object unless you put it in evidence.

By the COURT: I think you have the right to require the calculation to be put in evidence to see if it is correct.

A. I simply referred to this to show that the company, in taking into consideration its proportion of forfeitures, had done so in determining and fixing that guarantee period. Of course, there is no question; it is not a matter of argument. There is bound to become a time after the period will be reached that debentures should not exceed a certain age. In other words, I mean the reserve fund—when the interest earnings of the reserve fund plus the redemption fund would pay all debentures that reached that point.

By the COURT:

Q. Did you ever hear the expression that while the grass is growing the cow died?

A. I have, your honor.

Q. You don't think it applies to this case?

308 A. With all due respect, your honor——

By Judge ROGERS: It applies to all cases, your honor. There is not a business which is not conducted on the same condition. If there were not any more litigation there would be no use for us.

By the WITNESS: Of course, if the company don't do any business we'll have nothing to pay.

Q. Well, you can demonstrate, Mr. Williams, in the same way that a corporation, say, opens a bank and invited people to deposit their money in the bank and they take out of the deposits as they come in ten per cent. for the purpose of paying their expenses and put aside twenty-five per cent. of the deposits for a reserve fund and use the other sixty-five per cent. in paying checks, that in the course of time—that if people kept on depositing in the bank and they were thus enabled to continue payments in that way—that a reserve fund will be accumulated, the interest upon which would make up this ten per cent. that was deducted for the purpose of paying the expenses of the company; but if, in the meanwhile, if the depositors came there and wanted their money they would not be able to get it, because the deposits will be subject to this ten per cent. charge of the company.

A. If these deposits were made under the conditions that they could go to that bank and demand ninety per cent. or fifty per cent. of the amount deposited, it would not hurt the bank for them to go there and demand their withdrawal value at any time.

Q. But the situation would always be this: That the banking company would never be able to return to its depositors the amount of their deposit, and the solvency of the bank would always depend upon certain conditions—that is to say, the continuance of
309 the business, their ability to pay and to comply with their contracts, would depend on the continuance of other people to make their deposits all the time?

A. Only up to a certain point.

Q. Up to the balance period?

A. Yes, sir.

By Judge ROGERS:

Q. Mr. Williams, you stated in making out these tables—the judge made a suggestion to you at the start that in 1894 you didn't have this experience, it was made up from other corporations?

By the COURT: You mean other insurance companies?

By Judge ROGERS: All corporations of a similar character operating under a similar plan.

By the COURT: I don't think there is any similarity between them at all.

By Judge ROGERS: We will show it. I would like Mr. Williams to make a statement on that question.

By the COURT:

Q. I ask him whether he spoke of having based his calculations upon the experience of the company, and I made the suggestion to him that when the company started operation they had no experi-

ence to go on, and I asked him what he based his calculations upon, then, and he said the experience of other companies. I now ask him if it was on any debenture company.

A. Well, the term "debenture company" was originated in this particular company. The system under which they were operating was applied under other names by a number of different companies. They called themselves "co-operative investment," "tontine," or investment policies issued by life companies. There was one
310 calling itself the Middlesex Banking Company; that I remember. It *it* has been a particularly successful one. The same system was used by building & loan and homestead companies.

Q. Do you claim that this system is identical with or similar to the tontine system?

A. It is identical with the investment feature of a life-insurance policy; yes, sir; commonly termed the tontine policy.

Q. You say it is identical with it?

A. Yes, sir; the system, the basic principal, is identical. It is the accumulation of interest on the reserve apportionment set aside to meet certain obligations at maturity. In the life insurance companies *or* the investment department of the life-insurance department is one transaction, is one system. The death rate or mortuary rate is another part. A man in a life insurance company pays for his death risk and for his investment. As far as the company is concerned, there are two separate and distinct transactions, two separate and distinct accounts. On these lines we are identical with the life insurance company, eliminating the death loss.

Q. The tontine element in the life insurance companies, do they guarantee to pay a fixed profit?

A. They guarantee a fixed sum, a fixed rate of interest per annum—in other words, a fixed amount at a fixed rate.

Q. Don't they rather guarantee that they will pay to the survivor of the class or to the survivor of those who are actually interested in the tontine the accumulation, whatever that might be?

A. No, sir; they assume—they promise to give them whatever accumulations there may be, but guarantee them so much; they have a positive guarantee.

Q. That is fixed upon tables which establish the average
311 of human life?

A. No, sir; that enters into the death or mortuary risk part of it. The investment part of it is not governed or regulated to any extent by the mortuary table. If a man dies he don't get anything from his investment, from the investment department. That is a loss to him; it is a forfeiture. Take the twenty-year endowment policy, for instance. If a man dies in the nineteenth year he doesn't get any portion of the investment part of his policy; it is a lapse, a forfeiture to that department. The death risk assumed by the company is paid for from the mortuary fund or death-loading fund. What he paid into the investment department is an absolute loss to him. On the other hand, if a man lives to the maturity of a policy and he gets his investment feature of it the money that

he paid into the company on the death or mortuary risk is a total loss to him, because he don't get any return from that whatsoever.

Q. And your calculation originally you say was predicated upon institutions of that character?

A. Yes, sir; the essentials with a life insurance company are two. The essentials under the debenture system are two. What is essential under the debenture company is simply that they have the continuity of business until the balance period is reached. The lapse feature is not an essential; it is an incident purely. Just as it is in a life insurance company the lapses are not essential, they are an incident, and they are a fact which experience shows. They have had 200 years of experience on that line and we have only had four years as applied directly to this company, and this calculation submitted yesterday was based on those four years' experience of our own and on the liquidation of it, taking away one of the
312 essentials, which is continuity of business up to a certain point. This calculation that I referred to was simply carrying out that idea.

By Mr. RAINOLD: Has it been offered in evidence? I don't want him to testify unless it is offered in evidence.

By Judge ROGERS: Counsel for defendant offer, produce, and file in evidence, in connection with the testimony of this witness, the calculation referred to by him, which is marked "D 8."

By Judge ROGERS:

Q. I offer it to you, Mr. Williams.

A. This calculation is based upon one per cent. a month lapses of the business in force and the continuity of business.

By Judge PIERSON:

Q. Mr. Williams, in addition to those forfeitures and lapses, has there ever been any disagreement or misunderstanding between the company and the debenture-holders in regard to them?

By Mr. RAINOLD: I object on the ground that this question seeks to draw out irrelevant testimony. It does not make any difference whether there was a disagreement or not.

By Judge PIERSON: The purpose of the question is to ascertain whether any complaint has been made or not.

By the COURT: The testimony ought to be ruled out. There is no such issue in the case here. The State proceeds upon the simple, plain proposition that the scheme is an impractical scheme and ought not to be sanctioned by the State authorities, and I think it may be assumed, as far as that is concerned, that you had no trouble, unless the State shows to the contrary. Unless they show that you have had trouble with your debenture-holders, I don't think that matter ought to be brought in here at all. The State has not set up anything of that kind; it has not set up any complaint by
313 the policy-holders or debenture-holders.

By Judge PIERSON: We are satisfied with that position.

By Judge ROGERS:

Q. Mr. Williams, you stated something about the Middlesex Banking Company?
A. Yes, sir.

By Mr. RAINOLD: I object unless the witness knows of his own knowledge the system pursued by the Middlesex Banking Company. If he obtained his information from pamphlets or any other source, except through an investigation of the books of that company, I say his testimony is mere hearsay and should not be admitted in this case. The probabilities are that it will be inaccurate, and cannot be relied on in a court of law.

By Mr. RAINOLD:

Q. Mr. Williams, have you made any personal investigation of the books of that company?
A. I have never been in their office.
Q. What do you base your information upon?
A. Information furnished by the company.
Q. Were they sworn statements of any of the officers of that company, or just letters to you?
A. They were copies of sworn statements.
Q. You didn't see the statements themselves?
A. No, sir.

By Mr. RAINOLD: I object upon the ground — even the copies themselves would not be admissible under oath unless verified, and I doubt very much whether verified statements themselves would be admissible unless the officers themselves appeared here for cross-examination.

By Judge ROGERS:

Q. I have in my hand a copy of a debenture bond issued by the Middlesex Banking Company, a corporation of the city of
314 Middletown, Connecticut, installment bond of the Middlesex Banking Co.

By the ATTORNEY GENERAL: Where is the original?
By Judge ROGERS: We tried to, but they only sent us a copy.
By Mr. RAINOLD: Did you offer it?
By Judge ROGERS: Yes; we offer it now.
By Mr. RAINOLD: I object, 1st, on the ground of irrelevancy; 2nd, on the ground that it does not purport to be a true copy of anything or certified by anybody as being a true copy of anything; 3rd, the court is not sitting here to find out the system of this corporation of Connecticut, and cannot go into the minutes of its business to find out whether it was identical with this company: and, furthermore, if evidence of that kind was admissible, then the witnesses should know of their own knowledge—the witnesses who know of their own knowledge of the business would have to be produced here in order to be cross-examined.

By Judge ROGERS: The charter of this corporation is recorded in Baton Rouge.

By the COURT: I think the objection is well taken. We have enough to do to try this case without undertaking to try the Middlesex Company of Connecticut.

By Judge ROGERS: To which ruling of the court counsel for defendant excepts, reserved a bill, and will annex to the bill this copy which has been refused in evidence by the court. Your honor will have no objection to that?

By the COURT: No, sir.

By Judge ROGERS:

Q. Mr. Williams, have these statements and accounts of yours ever been submitted to experts?

A. Yes, sir.

315 Q. What experts?

By Mr. RAINOLD: I object on the ground that what experts have stated is not evidence, and if it is evidence they must be produced here, and must testify under oath and become subject to cross-examination, and the witness cannot tell what the experts said to him.

By the COURT: The objection is sustained.

By Judge ROGERS: We reserve a bill to the ruling of the court.

By Judge ROGERS:

Q. You are the secretary of the company, and I have asked you—the minute books of the company will show all the transactions that have transpired in the company—the minute books that have been produced here in court?

A. Yes, sir.

Q. Is there any other matter that occurs to you now that you would like to submit to the court? You are secretary of the company. We have examined you about everything that I know that occurs to me just now.

A. Possibly in substantiation of that calculation at two per cent. a month would produce eighteen per cent. per annum; I might submit a calculation.

Q. Well, that is conceded, I think.

By Mr. RAINOLD: It is a matter of mathematics. Anybody can figure that out.

By Judge ROGERS: We are finished with the witness.

Redirect examination by Mr. RAINOLD:

316 Q. You have testified here at length upon matters of calculations, and of course your testimony is affected more or less by your ability to make these calculations, and therefore I will ask you about your previous training. Prior to this position in the company what was your occupation?

A. Do you want a history of my business career?

Q. Yes, sir; I want to know your occupation previously.

A. I was a cotton planter. I moved from the country and came to New Orleans as travelling auditor for the Independent Cotton Oil Company.

Q. You audited their books?

A. Yes, sir; the books of their agents and representatives throughout the country, and made their compilations and statements.

Q. That was a matter of simple book-keeping, was it not?

A. It might be to some a matter of simple book-keeping. It might be considered very complicated by others. That is a matter of opinion. That business requires a good deal of thought, calculations, and tabulations. After that I was connected with the New York Life Insurance Company.

Q. In what capacity?

A. As solicitor.

Q. Soliciting life insurance?

A. Yes, sir.

Q. How long were you so connected with the New York Life Insurance Company?

A. Five years.

Q. And then what was your occupation?

A. I was employed by the stockholders of the American—what was known afterwards as the American Life and Accident Company, a life insurance company.

Q. In what capacity?

317 A. Actuary; in that capacity.

Q. Have you had any previous experience in actuary work?

A. No, sir.

Q. How? None whatever?

A. No, sir.

Q. How long were you with them?

A. About eighteen months.

Q. What company was that?

A. It was afterwards called—merged into the American Life & Accident Company.

Q. A corporation of this city?

A. Yes, sir.

Q. Is it in existence now?

A. I don't think it is. I think it went into liquidation. They absorbed the Southern Industrial Life, and I think that the Virginia Life bought them out.

By Judge ROGERS: There were absorbed by the Virginia Life represented by Mr. Rogerson?

A. Yes, sir; I think so.

By Mr. RAINOLD:

Q. What mathematical education did you have to fit you as an actuary, Mr. Williams?

A. I was educated at the University of the South, Sewanee, Tennessee.

Q. Did you take any special course to fit you for actuary work?

A. I made a specialty of mathematics; I was very fond of it and made a special study of that, along with other things. I took the degree of civil engineer and afterwards studied for the ministry.

318 Q. Now, Mr. Williams, you made a statement here that according to one of the calculations you had here you could get the deductions that the age of the company will be thirty-six years—or the New Orleans Debenture Company would be thirty-six years at the time that one of its bonds—that the oldest of its bonds not paid would be six years old. Will you show me where you get that deduction from?

A. Two per cent. per month lapse.

Q. Have you your figures here? Will you refer to the calculation you mean so that I can get at it?

A. I refer to "D 6."

Q. Will you hand it to me and point to the place where you formed that deduction?

A. Or you will get it quicker from "D 8" here.

Q. You say it appears on "D 8"?

A. Yes, sir.

Q. What is "D 8"?

A. It is a calculation based on one per cent. a month lapse.

Q. But this two per cent. lapses?

A. If one per cent. a month lapse gives you five years, the oldest debenture in twenty-seven years—it is not necessary to make the calculation that two per cent. a month lapse will give you more than thirty-six years.

Q. Have you worked it out with the particular scheme pursued by your company, where you make it that under one per cent. lapse that it would mature in thirty-six years?

A. I have only gone as far as twenty-seven years.

Q. Is that based upon the same scheme as your company is now operating?

A. Yes, sir.

319 Q. Twenty-five per cent. only for investment fund, ten per cent. for expenses, and sixty-five per cent. for redemption?

A. Yes, sir.

Q. Where have you obtained the result you speak of, of thirty-six years?

A. This is only carried for twenty-seven years.

Q. So that you have not demonstrated that, although you think you could?

A. It is demonstrated by deduction, I said.

Q. Don't you know that deductions, as mathematician, are the most falatious and deceitful things to deal with?

A. No, sir; I do not.

Q. Of course, you understand simple ratio, having studied algebra?

A. Yes, sir.

Q. Let's get at it in another way: Twice two is four. Of course,

you understand simple ratio, having studied algebra. The age of the company now is fifty-three months?

A. Yes, sir.

Q. And the age of the outstanding debentures is twenty-eight months?

A. Yes, sir.

Q. So that the age of the company is to the age of the debentures as fifty-three months is to twenty-eight? Is it at the present day—that is, the ratio?

A. The ratio of the age of the debenture is to the age of the company as twenty-eight is to fifty-three.

Q. When the company was seven months old the ratio was seven to seven, starting out even?

A. Yes, sir.

320 Q. So that this ratio of 28 to 53 is disturbed by the constant 7 on both sides of the ratio, isn't it? Taken at the divergence between the ages we would have to subtract from each side 7?

A. It has been a long time since I studied algebra.

Q. If that is true the ratio between the increase of the age of the company to the increase of the age of the debentures would be by subtracting 7 from each side—that is to say, 46 is to 21—would it not, or 21 over 46 as it is transported?

A. Yes, sir.

Q. Now, the simple problem is to find out what the age of the company would be if the same ratio was to exist and the same acceleration of business were to take place when the age of the bond would be 72 months. Isn't that the problem?

A. Yes, sir.

Q. Therefore the proportion would simply be this: 46 is to 21 as "x" is to "72," wouldn't it?

A. Doing away with the variation of the business.

Q. You said that if the company did the same amount of business—continued in the same way—I understand, and had an equal success as it had in the past, that you ascertain that the age of the company at the time that the first bond would be seventy-two months old to be thirty-six years. That was your statement of a while ago, wasn't it?

A. Yes, sir.

Q. Now I ask you, if these conditions exist and the ratio of increase is as 46 is to 21, if the equation would not be represented by the fraction 21 over 46, equals 72 over "x."

A. It would if the experience of the past and the distribution of the business has been the same.

321 Q. That is what your calculations are based on, is it not?

A. Our calculations are based upon the *passed* experience as far as lapses are concerned.

Q. And you said the same amount of new business?

A. The same mean average of business. You will find under that same mean average——

Q. I get "x" in that quantity proportion or equasion to equal 138

months. Therefore I find the age of the company will be, at the same ratio, 138 months, or the term of years eleven years and eight months. Isn't that true?

A. You worked that calculation; I haven't.

Q. If my working of the calculation is true I suppose the proposition is true?

A. No, sir; not necessarily.

Q. Why not?

A. Because you must apply in detail. In the distribution of business you will find that as there are more debentures in force of one age than another you will find that the application of age does not steadily increase. Under that calculation or equation it would be conceded or granted that the age of a debenture does steadily and gradually increase. As a matter of fact, the application of the details in that calculation or equation would show that the age of debentures fluctuate-, not gradually increases, and if you apply a two per cent. month lapse to each individual issue you will find that calculation or equation does not apply.

Q. That is your idea about the matter, is it?

A. That is the facts of the matter.

Q. How do you arrive at that two per cent. per month lapse; how did you arrive at that two per cent.; how did you figure
322 out from the known facts in this case that the lapses were two per cent. a month; did you average this; where is your calculation to this effect?

A. I have not furnished it.

Q. Have you ever made that calculation?

A. Yes, sir; two per cent?

Q. Yes, sir; that the lapses based upon the known facts in the past experience of the N. O. Debenture Company is two per cent. a month, understanding the two per cent. a month in the way you have testified here. How do you arrive at that conclusion?

A. We assume, as I stated in my testimony, that on a liquidation basis two per cent. a month of the business in force would pay out the debenture in the six-year period.

Q. Yes, sir; but you say you base that upon an assumption—a calculation made upon the actual facts of this case about the lapses in this case. How have you arrived at that two per cent. a month within the meaning that you place on that two per cent. a month, making it a variable quantity?

A. I have not stated it as a fact that the company has had two per cent. a month lapses.

Q. Then the company has not had two per cent. a month lapses during its experience.

A. Well, it has had an amount of lapses numerically—a great deal more than two per cent. a month.

Q. In what?

A. In number.

Q. How about amount?

A. In amount it has not up to that date—up to the date of the calculation.

Q. That has been occasioned by the fact that bonds of low
323 numbers under seven months and under a year are more prone to lapse than older bonds. Isn't that a fact?

A. That has not been our experience.

Q. Have you ever applied by geometrical line of variation the exact percentage of lapses from the beginning of the age of the bonds——

A. From experience?

Q. Have you ever mapped out the line of geometrical diminution of the variable?

A. In certain cases.

Q. Take the actual experience in this case.

A. No, sir; the actual experience in this case is not based on hypothesis; it is based on facts.

Q. It is a very easy mathematical problem to take the number that lapses at seven, eight, nine, ten, eleven, or twelve months and draw the line of geometrical variation. Have you ever done that?

A. No, sir.

Q. How can you arrive at the conclusion, then, that the lapses, according to the experience of the New Orleans Debenture Company, commands two per cent. a month, as you have described it here in your testimony, if you have not made that demonstration?

A. I have not said in my testimony that our experience has been two per cent. a month.

Q. Then, sir, your calculations, based upon the assumption that the lapses will be two per cent. a month, the two per cent. being the variable, as you described it, is not based on the actual calculations made from the status of the company at the present day, but is a hypothetical calculation?

A. It is a calculation based upon the experience of the company. It is an assumption.

Q. How can you base an assumption on experience, unless you made a calculation?

324 A. We take the actual facts of the case. We have the average of actual figures.

Q. Yes; but I think I can demonstrate clearly that your calculations are erroneous if you never made the demonstration so as to arrive at how much would lapse in 7, 8, 9, 10, or 11 months, and how much, say, in four years, where it may be a vanishing quantity entirely. How can you say that the lapses is two per cent. a month, as you have described it in your testimony?

A. We have not said that the lapses has been two per cent. a month.

Q. Wasn't your calculation based upon that fact?

A. That it will be—that it may be.

Q. How can you say that it will be two per cent. a month when your experience may demonstrate a different state of facts?

A. Our experience is based on four years' evaporation.

Q. But you have not carried the demonstration far enough. You have not made the algebraical or geometrical demonstration.

A. We have given it to you in detail.

Q. Have you ever drawn the geometrical line of variation?

A. I don't know whether there has anything been submitted drawing that line.

Q. Yes, sir. Without knowing that, how can you demonstrate that two per cent. a month lapse?

A. By assumption. I don't know how you can work a problem in mathematics without a problem to work.

Q. If you have the known facts of four years' experience, can't—take these figures of lapses, for instance, tabulate them, and then draw the geometrical lines representing the decrease or increase in lapses as the bond grows older? Can't that be done?

A. Yes, sir; certainly.

325 Q. Have you ever done it?

A. No, sir.

Q. And yet you tell me that you base your calculation on the actual figures in this case?

A. This assumption was made on the past and present experience of the company. You didn't understand my testimony, evidently. I didn't say it was based on a continuity of the past experience of the company, and that that past experience amounted to two per cent. a month on the business in force.

Q. Taking the matter in another light, and in a very simple light, how many bonds of the company have lapsed when they were seven months old, and before that time? Take up your tables and show me.

A. You have them on file.

Q. Well, I wish to go through it.

A. I believe it is 6,152.

Q. How many have lapsed at the age of eight months?

A. That is calculated.

Q I wish you would take up your paper—just take it, and I will explain exactly how this mathematical problem could have been worked. How many lapsed one month old? Let us go down the line now. How many lapsed at the age of one month?

A. Well, you mean that have paid one monthly instalment?

Q. After paying into the company, how many lapsed?

A. Three thousand eight hundred and twenty-four, after paying the initiation fee.

Q. Now, at one month?

A. 1,797.

Q. At the age of one month?

A. Yes, sir.

326 Q. Now, at the age of two months?

A. 268.

Q. Now, at the age of three months?

A. 94.

Q. At the age of four months?

A. 105.

Q. At the age of five months?

A. 24.

Q. At the age of six months?

A. 40.

Q. At the age of seven months?
A. 245.
Q. At the age of eight months?
A. 109.
Q. At the age of nine months?
A. 95.
Q. At the age of ten months?
A. 114.
Q. At the age of eleven months?
A. 98.
Q. At the age of twelve months?
A. 104.
Q. At the age of thirteen months?
A. 78.
Q. At the age of fourteen months?
A. 87.
Q. At the age of fifteen months?
A. 72.

Q. Now, read the others.

327 A. Sixteen months, 73; at the age of seventeen months, 148; at the age of eighteen months, 33; at the age of nineteen months, 31; at the age of twenty months, 46; at the age of twenty-one months, 12; at the age of twenty-two months, 4; at the age of twenty-three months, 10. That is all.

Q. Now, sir, the lapses is not a constant quantity; it is a variable, is it not?

A. Yes, sir.

Q. Have you ever determined the law of that variable to find out—for instance, what would be the amount that would lapse when the bonds were four years old—by any mathematical calculation?

A. We could only conjecture, as a matter of fact, what would be the lapses ratio.

Q. Therefore your demonstration, based upon the two per cent. lapse, as I understand your testimony, is built upon a conjecture?

A. I have testified to that fact.

Q. I want to draw that fact out clearly. As a matter of fact, taking twenty-four months—a bond twenty-four months old—is there any such ratio as a two per cent. lapse of the total amount of that age?

A. There is no bonds lapsed at all at twenty-four months.

Q. Well, take twenty-three months.

A. How many are in force at twenty-three months? There were two hundred and forty-three in force, ten of those lapses, which gives you two per cent. It figures out about two per cent.

Q. 243 only in force of that age?

A. Yes, sir.

328 Q. And that gives you how much?

A. Ten lapses.

Q. Is two per cent.?

A. That gives you the percentage, whatever it is. You can

figure it out. That is my opinion—it is a matter of opinion. One or two per cent. Two per cent. would be five.

Q. Two per cent. for one month would be less than five, but you say they are subject to lapses of not only the original two per cent., but two per cent. per month. In other words, you not only lapse them once at two per cent., but when they get twenty-five months old you lapse them again on the remainder, and so on to the end of your calculation?

A. Yes, sir.

Q. And you tell me that you base this upon an assumption? Well, I am satisfied.

Q. Do you want to determine in this, Mr. Rainold, the number of bonds that have lapsed of that issue? Is that what you want to draw out? It is all here with this calculation before you. Of that issue there were originally six hundred and twenty-four. There are 243 of them left.

Q. I don't want to get at that. I want to see how you found that two per cent. and the very curious variable that you have taken in your calculation.

A. The result will be borne out by experience. I only mentioned that.

Q. Now, sir, you say that the condition of the company is satisfactory, and that it could be paid out if it were to earn 8 % interest and this two per cent. lapsed every month. Didn't you by your calculation?

A. Yes, sir.

329 Q. Let us see the condition of the business; whether it is better today than when it started. The amount you paid out to the holders of redeemed debentures would be a loss to the business, would it not?

A. Yes, sir.

Q. How much was that loss?

A. It is shown from the amount paid out.

Q. Let us get at it in detail to see whether your statement is in error or not. You paid out to the holders of redeemed debentures how much money?

A. Four hundred and ninety-one thousand seven hundred and seventy-eight ($491,778.00) dollars.

Q. What was the amount of profit you paid to those redeemed debentures?

A. One-third of that.

Q. Just take your pencil to satisfy yourself.

A. I make that one hundred and thirty-nine thousand nine hundred and twenty-six ($139,926.00) dollars.

Q. Now, that represents a loss to the business, does it not?

A. That is a loss under the system.

Q. Now, every debenture you lapse, for which you pay nothing to the holders, of course, has gone to the system?

A. Yes, sir; certainly.

Q. How much does the gain amount to by lapses?

A. $6,790, I think, was the exact amount paid in by lapses.

Q. The system made that much money?

A. Yes, sir.

Q. How much did they make from the holders of debentures which were lapsed and on which you paid fifty cents. That is a very easy matter, isn't it?

330 A. Profits from the company; profits of the company from the surrenders?

Q. Yes, sir.

A. Forty-four thousand four hundred and forty-six dollars ($44,446.00); forty-four thousand four hundred and sixty, $44,460.00, dollars.

Q. That is the amount they paid in, is it not?

A. Yes, sir.

Q. You paid back one-half of that, and that gave you a profit of one-half?

A. Yes, sir; the profit from that was one-half of it.

Q. That makes twenty-two thousand two hundred and thirty dollars, does it not?

A. Yes, sir.

Q. Now, what interest did your reserve fund earn from all sources—fines, penalties, and everything?

A. $23,040.09.

Q. Well, then, haven't you had a loss to the reserve fund of about an equal amount—$23,000.00?

A. $23,781.00.

Q. The loss on account of the expenditures paid out of the reserve fund amounts to almost the interest you earned on the reserve fund?

A. Yes, sir.

Q. And a little more?

A. Yes, sir. $23,781.26.

Q. So that is a loss to the company; then we have no gain to the system. Leaving out, now, agents and all that question, which would be, of course, another loss to the company?

A. You have included that also in this twenty-two thousand dollars.

331 Q. On the first system where you gave it credit on the reserve fund?

A. Yes, sir.

Q. But, leaving out the initiation fee as being a disturbing element in the complication, you have here as a loss to the system of about a hundred and sixty-two thousand dollars as the then amount of profit paid to the holder of the debenture bond and the amount paid out of the reserve fund by way of expenses in round numbers?

A. Yes, sir.

Q. That represents a loss to the system, does it not?

A. Yes, sir.

Q. Now, what have we on the other side of the ledger to show the gain of the system—$22,230.00 reached from surrendered debentures?

A. Yes, sir.

Q. Likewise we have $6,790.00 made by lapses before they were

seven months old, and we likewise have an interest earned on the reserve fund and find penalties and other earnings of the reserve fund which go to the credit of the system—$23,040.09?

A. Yes, sir.

Q. That represents the entire gain of the system during those years, does it not?

A. Yes, sir.

Q. I make it in round numbers fifty-two thousand dollars, so that the company has suffered a loss by operation of this system for four and a half years, amounting to one hundred and sixty-two thousand dollars, and it has only recouped itself by surrenders, lapses, and interest earned to the extent of fifty-two thousand dollars. Is that correct?

A. The deduction there is correct.

Q. Then, as I make it, the net loss is in round numbers $110,000, is it not?

332 A. That would be the difference.

Q. Isn't that the net loss to the system?

A. Profits and losses.

Q. Isn't that the net loss of the system?

A. Well, it is the net deficit, as you might term it.

Q. Isn't the net loss? I ask you as an accountant, do you deny that that is the net loss in this case?

A. It is the debit balance.

Q. My question is a plain question. Don't you admit that it is a net loss?

A. No, sir.

Q. Why is it not a net loss?

A. Because the company is not called upon to settle up its debentures today; it is a contingent deficit.

Q. You have earned here by interest, lapses, forfeitures, fines, and penalties the sum of fifty-two thousand dollars?

A. Yes, sir.

Q. That is a profit to your system?

A. Yes, sir.

Q. And you have lost, by way of paying out fifty per cent. more than you received, $162,000.00?

A. Yes, sir.

Q. Isn't the difference the net loss to the system?

A. It is a net loss under the operation of the system or net deficit existing at this date.

Q. Therefore the result of your operations here of four and one-half years, instead of bringing you nearer to solvency than when you started out, it has brought you $110,000.00 more to insolvency?

A. It has created a deficit of a hundred and ten thousand

333 dollars, which was anticipated under the system.

Q. And you state that if the business has gone on as it has gone on for the last four and a half years that the company will be better off at the end of four and a half years from this time?

A. Yes, sir.

Q. How do you verify this statement?

A. This system is based entirely and purely upon a matter of per centage. The percentage offset by interest earnings, which is the interest ratio—the percentage of the interest earnings or the percentage of profit to the company is constantly increasing, while the loss, on the other hand, is not accelerating. In other words, my contention and the foundation of the system is that the interest earnings, the profits, will overtake the losses, exceed them and create a surplus in time.

Q. Well, but, Mr. Williams, how do you explain the fact that up to the present day the variation between the reserve fund and your obligations has not been on the decrease, but on the increase?

A. The per cent. has been on the decrease.

Q. Is that statement verified by any of the tabulated statements you have here?

A. It is verified by the facts.

Q. You think so. Have you examined those facts?

A. Yes, sir; that its percentage of assets to liabilities is increasing?

Q. No, sir; I mean the ratio of the reserve fund to the outstanding obligations.

A. Is increasing?

Q. Yes, sir.

A. Most assuredly it is.

Q. And it has increased to leave you a deficit of $110,000.00
334 after four years' operation?

A. We have reached a point already where the profits exceed the losses; that is what I mean.

Q. Does your tabulations here of the actual facts in the case show that fact?

A. Yes, sir.

Q. And if you are in error on that point, I suppose you concede your calculations are erroneous?

A. Yes, sir.

Q. You have said a great deal of your system depending upon the power of compound interest and the amount of interest you have earned up to the present day. The only interest, fines, and penalties that go to the credit of the system are those earned by the reserve fund?

A. Yes, sir.

Q. And this amount to date is upwards of twenty-three thousand dollars?

A. Yes, sir.

Q. Do you mean to tell this court that this is 8 % compound interest on the reserve fund from the beginning; have you made the calculation?

A. I think if you make the calculation you will find it about 8 per cent.

Q. Have you ever made the calculation?

A. No, sir.

Q. Then how can you say what it is?

A. I say it is about; I know that twenty thousand dollars is the

interest earnings of our present reserve fund as it has accumulated. If you will make the calculation, I think you will find it so.

Q. You have not made the calculation?

335 A. No, sir.

Q. Then what you say about your company making 8% interest in the past is only based on your supposition and belief?

A. The amount of interest speaks for itself.

Q. In a business the amount of gross interest earned is not the amount to be taken, when you deduct from the profits made by the reserve fund the amount of losses had, the figures $23,000.00 made, and the other side shows over twenty-three thousand dollars loss, the net result of the investment of the reserve fund has been nothing—you have not made a dollar by investment of your reserve fund, net?

A. No, sir.

Q. Your past experience is that your reserve fund has not been increased a dollar by the investment, but it has been all swept out?

A. I understand the question was this: That as the reserve fund, which consists of twenty-five per cent. of the monthly instalments, less the charges made against it, plus the interest earnings, equal or are in excess of twenty-five per cent. of the monthly instalments credited to that reserve fund——

Q. Exactly; just answer.

A. It is about; it has not increased.

Q. It had not increased at all?

A. No, sir.

Q. Therefore, if you ever feel the power of compound interest, you have not felt it yet in the operation of the company?

A. We are beginning to feel it now since the change of the system which necessitated and forced that change.

Q. Let us get another point in this controversy. What is the total amount paid out to agents, both as initiation fee and as the advance payments—the total amount?

A. I have already given that.

336 Q. I just want it tabulated here for the convenience of the court.

—. I don't think I have a copy of that here, Mr. Rainold. Well, the commission paid agents here is $15,824.00.

Q. And the initiation fee; how much does that amount to?

A. It would be commission on 19,986 debentures; initiation fee we paid out as commission on that first 7,912 debentures, $15,824.00, which was charged to the reserve fund.

Q. How much did you pay out by way of initiation fee?

A. $39,972.00.

Q. In round numbers, say, forty thousand dollars; so, therefore, you have paid to agents about fifty-five thousand dollars altogether?

A. Yes, sir; in round figures.

Q. And the total amount of the receipts have been upwards of eight hundred thousand dollars from the debenture-holders?

A. Including the initiation fee, the total amount of receipts has been something like eight hundred and forty thousand dollars.

Q. So that the amount that the agents received amounts to considerably more than 5 % of the total amount paid by debenture-holders?

A. I never made that calculation.

Q. Now, Mr. Williams, you pretended to make a calculation upon the actual facts in this case. Can you tell us what per cent. of the interest you pay a man when you pay him out in seven months? Have you ever calculated that?

A. Yes, sir.

Q. What does it amount to—how much?

A. One eighty-two and a fraction.

Q. Simple interest?

A. Yes, sir.

Q. And when you pay him out in six years, what is the
337 per cent. of compound interest you pay him?

A. I never figured it compound interest; straight interest it is about sixteen two-thirds per cent.

Q. It is about thirteen per cent. compound interest, is it not, on the instalment plan?

A. About that.

Q. You haven't your table n[illegible]?

A. No, sir.

Q. And you mean to tell us, Mr. Williams, that by any system of book-keeping or by any system of handling funds or financiering known to man that without lapses you can ever pay a man a rate of interest ranging from a hundred and seventy-one, simple interest, to thirteen per cent. compound interest?

A. No, sir; I do not. I never made any such statement.

Q. Then your system depends for success on lapses?

A. I never made such a statement.

Q. Does it or does it not?

A. It depends entirely upon the fixed period that is assumed.

Q. The fixed period in this case is six years?

A. So far. Pardon me in making this explanation. All that I have testified to was that under this system a company could pay to the individual investors an interest rate per annum ranging from one hundred and eighty-three to four per cent.

Q. Then you would have to change the date of maturity in the bond?

A. *Per se* unless you had lapses.

Q. Therefore the system as it is at present operated and as you were operating it up to the time of the filing of this suit, where a period of six years was guaranteed, is not a feasible one unless you have lapses?

A. On a liquidation?

338 Q. No, sir; on straightout business.

A. If you mean that the payment of any debenture now in existence is dependent upon lapses essentially, I should say no.

Q. It is not?

A. No, sir.

Q. And you can pay out every bond in full if there were no lapses?

A. On a liquidation, no, sir; but under the system—a continuity of business——

Q. Yes, sir; but how about the other bonds that would come in their place? Would you not incur a liability to those bondholders?

A. You would.

Q. And would not that liability supersede—be substituted for the present liability?

A. Yes, sir.

Q. It would be taking the other man's money to pay the people already in, wouldn't it?

A. It would be a distribution of the fund. We filed a calculation showing that with new business on the mean average of the business that every debenture now on the books could be paid without lapses.

Q. I am asking you whether the plan is feasible or not; not with the present, but with the future holders, on the theory that the period of redemption shall be not later than six years.

A. No, sir; I never contended for a moment that a debenture company could work out, maintaining a six years' guarantee period without lapses.

Q. And whether it could work out in six years depends upon the amount of lapses?

A. Entirely; for the maintenance of the six-year guarantee period. If the company is limited and don't extend that
339 guarantee period that it can only maintain that guarantee period of six years by a varying percentage of lapses.

Q. And the varying percentage of lapses is a most important factor in the problem, is it not?

A. Well, no; the interest rate would cut just as much a figure.

Q. Do you mean to tell me that the lapses are not an essential factor in maintaining the six-year guarantee period?

A. In maintaining the six-year guarantee period lapses are essential.

Q. And therefore a great deal depends upon what the rate of lapses is and what that variable is, and all the laws governing that variable, from the age of one month to the age of six years?

A. Well, no; not strictly speaking. These lapses might be sufficient; lapses occur amongst debentures five years old.

Q. That is a guess, isn't it?

A. No.

Q. Isn't it essential, in order to find out whether this scheme is feasible, to determine the law of variation of the lapses?

A. No, sir; it is not essential concerning that.

Q. Why not?

A. Because those lapses might occur at any point.

Q. That is a mere guess to say they might occur?

A. No. The determination of that variable would be the amount of percentage of profits accruing from lapses.

Q. Exactly; that would be the same variable in a different shape?

A. Not exactly.

Q. The law that would govern that would be the same?

A. No.

Q. What would be the difference?

A. That per cent. of profit might occur one year and you
340 not have any profits from that source any other year.

Q. Now, Mr. Williams, might there not be another variable quantity in this problem? Mr. Orme has testified here that they made the seven months' redemption period in order to attract business. You heard him testify to that?

A. I don't remember whether I was in the room or not.

Q. Well, isn't that a fact that you make early redemptions to attract business? He said if the six-year period was fixed for all bonds that people were not as likely to come into the scheme, because they would have to remain in it for six years; but by commencing redemptions at seven months and offering inducements to them to do business, while it might be a loss to the company at first, at the same time it might attract business, and they would make it up in the end. Now, if Mr. Orme made that statement, is it a correct one?

A. It is a matter of opinion.

Q. What is your opinion on the subject?

A. I don't know that my opinion on the subject would bear on the facts.

Q. Would it attract business or would it not?

A. The fixing of the date of the guaranteed period would be the one to attract business, not the seven months' redemption period.

Q. Then you don't think a man would rather be redeemed in seven months and make a hundred and eight one per cent. profit than be redeemed in six years and only make 13 % compound interest, or 18 % simple interest?

A. That would depend on the class of men.

Q. As a financial proposition, which is the best?

A. I would rather have the seven months' investment. As a matter of fact, the redemption of debenture commencing redemption
at seven months was not inaugurated by the company as a
341 matter of attraction for business; it was simply done to commence somewhere. It was arbitrarily fixed and selected as a time to commence actual operation. We might have selected five years, a year, or twenty-four months. I know, as a matter of fact, that Mr. Orme has strongly advocated, on several occasions, that the first redemption should be made when they are six years old.

Q. Why did you redeem earlier, then? Wasn't it to attract business?

A. No, sir; it was to begin the operation of the scheme.

Q. Is that your explanation?

A. Yes, sir.

Q. How long was the New Orleans Debenture Company the only company of its kind in the city?

A. If my memory serves me right, the second company organized here was in June, 1896.

Q. That was the Louisiana Company, was it not?

A. Yes, sir.

Q. And it was followed by how many companies—about eighteen, wasn't it?

A. I think your docket will show twenty-three.

Q. Can you tell us the date of the organization of these companies? I don't know whether you can or not.

A. I had a list of them made out.

Q. Have you got it with you?

A. No, sir; a sought of a résumé of the companies.

Q. They all did business in this city?

A. I think so.

Q. A business similar to the business of yours?

A. No, sir.

Q. The plan was not similar?

A. No, sir; there was some quite essential differences.

342 Q. Now, you stated something about life insurance and the tontine features while the judge was examining you, and made the contention that there was not only a great similarity between the tontine feature of a life insurance company, but that it was almost identical with the plan of your company.

A. The investment feature of a life-insurance business.

Q. Did you ever hear of a tontine policy guaranteeing the holder thereof compound interest at 13% in any life insurance company in the world? Is that your testimony?

A. No, sir. I have never seen a policy that guaranteed a man as much as he paid into the company.

Q. Exactly, and therefore you didn't see one that guaranteed him more than fifty per cent. in ten years?

A. You misunderstood. I didn't testify that the contract was identical. My statement was that the underlying or basic principles governing the two were identical.

Q. How can the underlying or basic principles be the same when the contract in one case specify a guarantee profit of 13 % compound interest within six years, and in the other case there is no such guarantee; will you explain your testimony in that respect?

A. Yes, sir. The system as contemplated by the debenture company does not confine itself to a contract guaranteeing 13 % per annum interest; the system simply requires that contracts shall be issued payable at a fixed date and at a fixed rate of profit. Life insurance is the same. Under that system it requires that they shall issue contracts payable at fixed dates. Under the investment contract I speak of, and of course the parity is along that line, they issue contracts at fixed dates, guaranteeing fixed amounts. In that respect the systems are identical—the contracts are identical.

343 Q. You don't mean identical, you mean similar. Do you mean identical or similar?

A. Well. I mean similar, to the extent——

Q. No two things are identical unless they are like unto each other in every particular; that is the way I understand it in mathematics.

A. That the principle involved in the two are identical; the details are similar. The principle is identical.

Q. Then you would call the guarantee period a detail under your system of explanation?

A. The guarantee period is a variable.

Q. Would you call that a detail or an essential of the system as operated by you?

A. The date of that would be a variable.

Q. I want to know whether it is an essential.

A. Yes, sir; it is an essential.

Q. How, then, can you call it a detail?

A. I call it a detail; it is a variable.

Q. You just now told me that the essentials between the tontine policy of a life insurance company and this bond are identical, and I ask you whether or not the guarantee period is an essential or not.

A. The guarantee period is an essential.

Q. In this present instance you have taken six years as the guaranteed period?

A. Yes, sir; I call that a fixed contract.

Q. Do you call that an essential?

A. Yes, sir.

Q. Where in a contract of tontine insurance did you find
344 any six-year guaranteed period?

A. You can find five years.

Q. At 13% compound interest?

A. No, sir; the life-insurance contract carries with it to this extent a return to the holder of that contract, an amount which is apportioned to the reserve fund and accumulated at 4% or 3½% compound interest.

Q. Did you ever see a tontine policy issued to any person by any life insurance company that ever had any guarantee of over four per cent. as to its reserve fund?

A. No, sir.

Q. Then there is a difference between the debenture system as operated by you and the *the* tontine system? Yours guarantees thirteen per cent., and there is never a bond issued by an insurance company that guarantees over four per cent.?

A. There is a difference to this extent; that I have known insurance contracts to pay more than thirteen per cent. I have known contracts to pay more than 13% without being guaranteed. The debenture guarantees at six years; based on twenty-two years, I have known them to pay interest much earlier that that, and as high a rate of interest as 182.

Q. In case of death?

A. Because of the maturity of the debenture. I am speaking of the debenture contract now. The life contracts matures by the de-

termining element, which is death, and the debenture contract pays through the effect of the determining element, which is the redemption.

Q. You very properly said that in every life-insurance policy carrying with it a tontine principle that the contracs is divided by the company into two parts—that is, the insurance part—
345 and they put aside a certain amount of the premiums to meet the losses under the tables of mortality and tontine policy?

A. The investment policy.

Q. Take the standard policy issued by the Mutual Life Insurance Company, say for twenty years. Suppose you live out your period, what guarantee have you from the life insurance company?

A. I believe the Mutual works on the four per cent. now. You have a guaranteed per cent. of your premium that is apportioned to the reserve fund.

Q. Only the per cent. apportioned to the reserve fund?

A. That is all.

Q. Is that all you have?

A. And the accumulation that may arise from lapses and forfeitures.

Q. There is no guarantee as to lapses?

A. No.

Q. Did you ever hear of a Mutual policy paying thirteen per cent. compound interest?

A. Yes, sir.

Q. At the end of twenty years?

A. At the end of six months.

Q. By death, you mean?

A. Yes, sir; and at maturity also.

Q. What form of policy ever pays that amount?

A. They advertised very extensively about some contract in Louisiana, where the holder received $9,000.00 for three thousand dollars paid in.

Q. For what period?

A. I think it was a ten-year policy.

Q. Are you sure about that?

346 A. I think it was ten years; it might possibly have been twenty years.

Q. It makes a great deal of difference whether it was ten or twenty years?

A. As far as the interest is concerned, it makes a difference of twice as much; it would be more than 13% interest.

Q. You think so on a twenty-year policy?

A. I think so.

Q. I don't think so.

A. Well, it was $9,000.00 for $3,000.00.

Q. Is that the only case you ever heard of?

A. No, sir.

Q. Have you any personal knowledge of any other case or any case?

A. Yes, sir.
Q. What case have you read the reports in?
A. The monthly reports of the Mutual Life, and the New York Life issues a monthly statement showing the exact return on its investments.

By the COURT:

Q. If that was 20 years, it was very evident that it would never pay thirteen per cent. compound interest; it would only pay ten per cent. at simple interest.
A. Yes, sir; but this payment was made in installments, and the investment was not made for twenty years, but for ten years.

By Mr. RAINOLD:

Q. All the money was paid in before ten years?
A. No, sir; I am under the impression it was a twenty-year policy.
Q. How many payments were made?
A. Twenty payments.
Q. Are you positive or are you in doubt of that fact?
347 A. I know a twenty-year contract carries with it 20 payments.
Q. Always?
A. Yes, sir.
Q. Do you know how they arrived at the amount of $3,000.00; whether that was a portion that they apportioned under their system of book-keeping to the tontine feature or whether it was the total amount paid in by the policy-holder?
A. It was the amount guaranteed by the dividend, plus the amount accruing from lapses.
Q. Therefore it was only a portion of the amount paid in?
A. The amount he paid in?
Q. Yes, sir; the three thousand dollars.
A. It was only a portion of what he paid in. No; he paid in $3,000.00 to the company. What he was guaranteed under his contract was not three thousand dollars; he was guaranteed the reserve-fund apportionment, with four per cent. per annum interest.
Q. Did the company publish how much had been paid to them by way of premiums at that time?
A. Yes, sir.
Q. How much was it?
A. $3,000.00.
Q. All told?
A. Yes, sir.
Q. Under the amount apportioned to the tontine feature?
A. $3,000.00, all told.
Q. Have you got that advertisement with you here?
A. No, sir; it has run for years. They have used it as an inducement to get business.
Q. Do they advertise that—do they make that an extraordinary case and advertise it frequently?

348 A. I have seen the sample policy advertised frequently.

Q. For the purpose of getting new business?

A. Certainly; in order to induce new business.

Q. Does any insurance company in the world pay out on its tontine feature in seven months unless there is a death?

A. None that I know about now.

Q. And in that respect they differ from your company, don't they?

A. Our company does not deal in the death risk at all.

Q. In the respect of paying out, redeeming your bonds in seven months, it differs entirely from any life-insurance policy?

A. Not essentially, because the determining element of a life insurance company is death; the determining element of a debenture company is the numerical order of the redemption fund. A life insurance company could not pay a contract when it was seven months old unless death, their determining element, forces their redemption.

Q. However, as a matter of fact, no matter what the reason is in the matter, no insurance company operates a tontine system by which it pays a fifty per cent. profit in seven months, is there?

A. Except by death.

Q. In that respect they are different. Whether they pay as an essential or a detail, they are different in that respect, are they not?

A. If you mean that a debenture company don't pay by death they are different.

Q. I mean, though, if the life insurance company don't redeem at seven months are they not different also?

A. Yes, sir.

By the ATTORNEY GENERAL: The State here rests.

349 Division "C," Civil District Court for the Parish of Orleans.

STATE OF LOUISIANA
vs.
NEW ORLEANS DEBENTURE REDEMPTION CO. OF LA., Limited. } No. —.

Testimony and notes of evidence taken on the part of the defendant on the trial on February 8th and 9th, 1899, in open court, before the Hon. Frank A. Monroe, judge, presiding.

Appearances: For the State, M. J. Cunningham, att'y general; Frank E. Rainold & Stifft & Madison; for the defendant, W. H. Rogers & Pierson, Montgomery & Pierson.

Index.

Notes of evidence ..... Page 2
Gordon S. Orme ..... " 4
J. P. Williams ..... " 9
E. D. Maunsell ..... " 10
Gordon S. Orme ..... " 12
Ruling of court ..... " 13

A. E. OLIVEIRA,
Stenographer.

350 Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
NEW ORLEANS DEBENTURE REDEMPTION COMPANY OF LOUISIANA, LIMITED. } No. —.

Testimony and Notes of Evidence Taken on Behalf of Defendant before the Hon. F. A. Monroe, Judge, February 8th, 1899.

By Judge PIERSON: The first thing we want to introduce and we want to offer is the journal of the house of representatives of the session of 1898 by reference.

By Mr. RAINOLD: What is the purpose? What do you offer it for?

By Judge PIERSON: We offer it for the purpose of showing what bills were introduced on the subject of debentures, the proceedings of the house of representatives and the disposition made by it of the bills introduced on the subject of debentures.

We also offer in evidence the journal of the senate for the State of Louisiana for the session of 1898 for the purpose of showing what bills were introduced upon the subject of debentures at the last session of the legislature and the disposition made of said bills by the legislature at the last session.

By Mr. RAINOLD: Counsel for the State of Louisiana objects to the offer on the ground that the said documents are totally irrelevant to the issue at bar.

By the COURT: The court sustains the objection. The objection is made that the evidence is irrelevant, and the court is of opinion that it is irrelevant. I think it is wholly irrelevant.

By Judge PIERSON: Our purpose is to show that there was an effort to get the State to establish a policy on the subject of
351 this business, and that the legislature, which alone has the power, by act leaves it today an open question.

By the COURT: I think it is wholly irrelevant, Mr. Pierson. This court is called upon to enquire whether the purposes for which this corporation is organized is authorized by law or is within the purview of the public policy of the State. It seems to me that the fact that the corporation had applied for legislative sanction for its operations and had been refused such sanction could have no bearing upon this investigation.

By Judge ROGERS: Your honor assumes that the journals will show the whole matter.

By the COURT: Mr. Pierson stated that an effort had been made to get the legislature to act in this matter, and that it refused to act in the matter.

By Mr. PIERSON: To which ruling of the court counsel for defendant reserves a bill of exceptions and asks the court for permission to annex the journals should we stand in need of this evidence on an appeal that we can use them on the bill.

By the COURT: You can attach the journals to your bill of exceptions.

By the ATTORNEY GENERAL: If this be done I would like for the court to hear the reasons of the attorney general why the bills were not passed and to attach the same to the bills of exceptions.

By the COURT: You can make that explanation in court, but it cannot be attached to the bill of exceptions.

By Judge ROGERS: The minute book has been produced in court and the State has offered some things from it. I desire now
352 to say that either party shall have the right to use from the minute book such as he desires.

By Mr. RAINOLD: Oh, no; you must offer the evidence, not the minute book.

By Judge ROGERS: Very well; I'll pick out what I want and have it put in the record.

By the COURT: You gentlemen can agree hereafter what is to be put in the record.

By the ATTORNEY GENERAL: He wants us to agree that either party can use what he wants, and we don't want to make any kind of agreement.

GORDON S. ORME, being duly sworn for defendant, did testify as follows:

Direct examination by Judge ROGERS:

Q. Mr. Orme, I present to you a document which is known as the Insurance Year Book for the year 1894. I want to ask you if you know that this is a book used by life insurance companies and regularly issued by them and how came you in possession of it.

—. ——.

By Mr. RAINOLD: How did you obtain your knowledge of that fact?

A. In the organization of the company I desired to get some authority upon life-insurance matters, and upon inquiry at the different life-insurance offices this book was referred to me as the standard life-insurance work and so recognized by all life insurance companies. It is published by the Spectator Company of New York and issued by them annually.

By Judge ROGERS:

Q. From whom did you obtain the book?

A. Well, this particular book I got from Mr. Wharton, who is a solicitor of the Equitable Life Insurance Company. I asked
353 him if he had an old date, which was the book I had in my possession upon the organization of the debenture company, published in the same year of the organization of the debenture company, and these statistics——

By Mr. RAINOLD: Counsel for the State of Louisiana, understanding that the purpose of these questions is to lead up to the introduction of this book in evidence, makes this objection: that all this evidence and the book itself is immaterial and irrelevant, and that, furthermore, no text books can be offered in evidence, as such writ-

ings, not being sworn to by any persons, are not evidence in any sense of the word.

By the COURT: Objection sustained.

Bill reserved.

Q. Do you know, Mr. Orme, whether this public work was standard authority used by life-insurance people?

A. Yes, sir.

By Judge ROGERS: I now offer, introduce, and file in evidence this book——

By Mr. RAINOLD:

Q. How do you know that fact, Mr. Orme? Somebody told you?

A. Upon application at no less than six or eight life insurance companies' offices.

Q. You were told so?

A. And also from Mr. Whiting. When I was in New York I made reference to this book, which was in his office and which was used by him as standard authority, and the book is published annually.

Q. Did he tell you so?

A. Yes, sir.

Q. And other people told you so?

A. Yes, sir.

Q. So that all your knowledge about this book is received from other people?

354 A. I suppose the man who got up the book, if he told me so, I don't think it would help me otherwise. I suppose that what is stated by people who use the book is authority.

By Mr. PIERSON:

Q. Have you conversed with insurance people generally in regard to this book?

A. I have.

Q. You have spoken with insurance people generally on the subject of insurance?

A. Yes, sir.

Q. In which reference has been made to this book by all of them as authority, to the different companies and to different people?

A. Yes, sir.

Q. Is that a matter of public repute, so far as your knowledge goes, that this is taken by insurance people to be a standard authority on this subject?

A. Yes, sir.

Q. And it is recognized by all insurance people as a standard authority?

A. Yes, sir.

By Mr. RAINOLD: Objected to on the ground that the whole knowledge of the witness is based upon hearsay; and, further, that the book itself is not sworn to; and, further, that the author is not

before the court for cross-examination as to the correctness of the book and the statements therein contained, and that therefore all the testimony of the witness, and the book itself, are not admissible in evidence, the same being irrelevant, immaterial, and mere hearsay.

By the COURT: Counsel for defendant states that he has in court two witnesses who have been engaged in the insurance business and who are prepared to testify that the book offered is used
355 by insurance companies as standard authority, and upon that basis, and upon the basis of the testimony of the witness now upon the stand, renews the offer of the book in question. The objection to the introduction of the book by the State being renewed and reserved, the court is of the opinion that the objection is well taken, and is also of the opinion that the fact that the insurance companies use the book and regard it as standard authority does not necessarily establish authority of its contents, and is also of the opinion that, in any event, the introduction of this book would be irrelevant to the issues presented in this case.

By Judge ROGERS: To which ruling of the court I reserve a bill of exceptions, and make this note in lieu of a formal bill.

Q. Mr. Orme, can you show to the court and will you show to the court wherein the debenture business, as carried on by the defendant company in this case, resembles investment policies issued by life insurance companies; can you do that?

A. Yes, sir.

By Mr. RAINOLD: Counsel for the State object on the ground that the evidence is totally immaterial and irrelevant, and that it makes no difference whether it resembles the life-insurance business or not, inasmuch as this company does not profess to be organized under the laws governing corporations organized for a purpose of carrying on the life-insurance business.

By the WITNESS: The only premium charged by the Penn Mutual Life Insurance Company on a tontine policy for a man of twenty-five years of age is $27.30.

By Mr. RAINOLD: How do you know that fact? Where did you derive that information?

A. Direct from the office of the Penn Mutual Life Insurance Company.

Q. Somebody told you that?

356 A. The agent of the Penn——

By Mr. RAINOLD: I object on the ground that it is hearsay. If they wish to prove the charges of the Penn Mutual Life Insurance Company by the person making the charges and authorized to make them, and he cannot testify what the person told him.

By the COURT: The objection is well taken.

By Judge ROGERS: I reserve a bill.

By Judge ROGERS:

Q. You can't speak about any information from them, Mr. Orme.

Now, in what other way can you show the resemblance between the business of the debenture company and the insurance companies and the insurance company investment policy. You can't do it unless you have some knowledge of facts of your own, I understand.

A. I have some policies in my safe. I can get them. Well, I can state in regard to those figures. The tables in all straight-line companies, which are well known, are generally the same.

By Mr. RAINOLD: I object; the policy is the best evidence. He can't state what the policy says.

By the COURT: The objection is well taken. Bill reserved.

By Mr. PIERSON: We withdraw the witness for the moment, and will put Mr. Williams back on the stand.

J. P. WILLIAMS, Esq., recalled on part of the defendant.

By Mr. PIERSON:

Q. I hand you this book—Insurance Year Book. State what that is, Mr. Williams, what you hold in your hand.

By the COURT: The court has already ruled on that question.

By Mr. PIERSON: I wanted to put him on the stand as an insurance man to state what it was.

357 By Judge ROGERS:

Q. Do you know the rates charged, of your own knowledge, by the Penn Mutual Insurance Company on tontine policies?

A. Yes, sir; I am familiar with them.

By Mr. RAINOLD:

Q. Where did you derive your knowledge, Mr. Williams?

A. From the official publications of the company and their rate book.

Q. Issued by them?

A. Yes, sir.

Q. You have no other source of information?

A. There is no other source of information on that point.

By Mr. RAINOLD: I object on the ground that this is hearsay, and that any evidence admissable on this point would be the official books themselves.

By the ATTORNEY GENERAL: And I wish to add to that objection that if they undertake to prove the similarity between the debenture company and the life insurance company contract the best proof would be the contract of the life insurance company to judge of the similarity. We have offered in evidence the contract of the debenture company, and if they want to prove similarity let them introduce the contract made by the life insurance company.

By the COURT: Objection sustained.

By Mr. PIERSON: We reserve a bill.

Adjourned until February 9th, 1899.

THURSDAY, *February 9th*, 1899.

EDWARD S. MAUNSELL, Esq., sworn for defendant.

Direct examination by Judge ROGERS:

Q. Mr. Maunsell, what is your position?

358 A. Superintendent of city agents.

Q. Of what company?

A. Of the Mutual Life Insurance Company.

Q. I hand you a book which I wish you would look at without answering. Just simply say if you know the book and if you are familiar with it.

A. Yes, sir; very.

By the ATTORNEY GENERAL: I suggest by way of objection to all this testimony that any evidence in regard to life-insurance business is not pertinent or relevant to this case, because the defendant company does not profess to be a life insurance company.

By the COURT: I think the objection is well taken. The interrogation of the witness so far in regard to the similarity and dissimilarity between this business and that of the life insurance company resulted from what might be called a cross-examination in response to questions elicited and propounded by counsel for the defendant company. The State originally didn't show any relation between the debenture business and the life-insurance business, didn't attempt to show that the business was similar. A great deal of time was consumed in examining the witness in regard to that matter. As I understand, the functions that this court is to discharge at present is to investigate the debenture business upon its merits and not in relation to life insurance companies or its relation to any other business, and we are not called upon to determine whether the life-insurance business is lawful or not. We have to find out, Mr. Pierson, as I understand it, whether it is a lawful business or not and not whether it is like a life-insurance business or any other business. If we go into an investigation of what basis the life-insurance business is done and on what basis the tontine feature as added to the life-insurance business, that is a separate and

359 distinct investigation, which may lead us very far afield from anything we have to consider in this case, and to no profit whatever, because if we do find that the life-insurance business and the debenture business are identical in character, that does not affect the result; the court has still to determine whether the business conducted by the defendant in this case is a lawful business or not. I therefore sustain the objection.

Bill of exception reserved and this note made in lieu of a formal bill.

By Judge ROGERS:

Q. This book, the book that I offer you, is the Life Insurance Manual of Flitcraft, and I want to ask you if this book is regarded as authority among life-insurance people.

A. Yes; it is, as a rule.

By Mr. RAINOLD: I object.

Q. All you know about that book you heard from others?

By the ATTORNEY GENERAL: I move that the evidence be stricken out and not put in the record, because the objection was heretofore sustained by the court.

By the COURT: I think the objection goes to the whole testimony. The objection is sustained.

By Judge ROGERS: To which ruling of the court counsel for defendant excepts and reserves this note in lieu of a formal bill of exceptions.

By Judge ROGERS: I don't want to delay the court nor go contrary to what I concede to be the ruling of the court. I didn't want to take up the time of the court by putting anybody on the stand or by making any demonstration or play.

GORDON S. ORME, Esq., recalled for defendant.

By Judge ROGERS:

Q. Mr. Orme, in your testimony given by you while on the
360 stand as a State witness in this case you stated that in making up the tables upon which you had suggested or approved of the six-year guarantee period which is adopted by this company and in operation by this company you had reference to and consulted different tables which are published by life insurance companies?

A. Yes, sir.

Q. Are those tables contained in this book, marked Insurance Year Book, which was presented yesterday, for 1894—are these the ones you refer to in that evidence?

By Mr. RAINOLD: Objected to on the ground that the court has already ruled out evidence relative to life insurance companies, life-insurance tables published by life-insurance people or anybody else, as not pertinent to the issue.

By Mr. PIERSON: We offer this evidence on this point as being the basis upon which the plan was formulated, under which the defendant company is now acting, and as a part and parcel of the plan under which we organized, as shown by the testimony of this witness.

By the COURT: The court sustains the objection, being of the opinion that the testimony of the witness so far does not show that the book which is proposed to be offered in evidence is part and parcel of the plan upon which the defendant company was organized. The court has heretofore permitted the witness who is now on the stand to give a statement of the efforts which he
361 made for the purpose of informing himself in regard to the character of the business in which he was about to embark; has permitted him to state the investigations made by him, not because the court considered it admissible or relevant evidence in this case, but merely as a matter of justice to the witness, and that in order he may personally vindicate himself from the charge of hav-

ing launched into this community a business which would not be sustained by law without having made some reasonable investigation in regard to its character before so doing. The court is of the opinion that the defendants have been afforded ample opportunity to offer in evidence the tables on which they are operated, the calculations upon which they conduct the defendant company, and is of opinion that other and more remote calculations from which those might have been drawn and which relate to a separate and distinct business has no bearing upon the issues to be determined in this case, and therefore sustained the objection.

By Judge ROGERS: To which ruling of the court counsel reserve a bill and make this note in lieu of a formal bill.

Case finally closed.

362 P 1.

No. 56658.

Charter of the New Orleans Debenture Redemption Company of Louisiana, Limited.

Civil District Court, Parish of Orleans.

Filed May 20, '98. (Signed) T. J. Tournillon, D'y Clerk.

Charter.

UNITED STATES OF AMERICA,
State of Louisiana, Parish of Orleans.

Be it known, that on this twenty-fifth day of September, in the year of our Lord one thousand eight hundred and ninety-four, and of the Independence of the United States the one hundred and nineteenth, before me, Henry L. Garland, Jr., a notary public in and for the parish of Orleans, duly commissioned, sworn and qualified, personally came and appeared the several persons whose names are hereunto subscribed, who declared that, availing themselves of the provisions of act No. 36 of 1888, as well as those of the general laws of the State of Louisiana relative to the organization of corporations, they have covenanted and agreed and do by these presents agree to form themselves into and constitute a body corporate in law for the objects and purposes and under the agreements and stipulations hereinafter set forth.

Article first.

The name and title of the corporation hereby formed is declared to be the New Orleans Debenture Redemption Company of Louisiana, Limited. It shall have its domicile in the city of New Orleans, and shall have and enjoy all rights and privileges of corporate succession for a period of ninety-nine years from the date hereof, unless sooner dissolved; it shall have power to contract, sue and be sued, to make and use a corporate seal, to hold, receive, lease, improve, purchase, sell, convey, mortgage and pledge property, real and per-

sonal; to borrow money, to lend money on security, to make and establish by-laws for its proper management and not inconsistent with this charter; to name and appoint all officers and employees and to do and perform all acts necessary and proper to carry out the purposes of this organization.

Article second.

The corporate powers of this company shall be exercised by a board of directors, consisting of twelve stockholders; five members of said board of directors shall constitute a quorum, and as a first board of directors to manage said company until an election for directors be held on the first Tuesday of October, 1895, the following stockholders are designated:

W. H. Rogers,	Gordon S. Orme,
Henry Gehl,	Henry Kahn,
Maximilian Hermann,	A. F. Waiss,
H. B. Byrne,	S. B. Daniel,
A. F. Himel,	W. P. Wall,
Geo. K. Pratt,	P. F. Herwig.

Five members of said board shall constitute a quorum. The board of directors shall elect one of their number president and another vice-president, who shall act in the absence of the president or in his inability to act, whose term shall be coincident with the board by whom elected; they shall select and appoint a competent person as secretary and a competent person as treasurer, and such employés as may be requisite for the conduct of the business; fix all salaries and fees, and establish rules for the direction of said employés; to require bond and fix the amount, and said employés will serve during the pleasure of the board.

The first Tuesday of October of each year is fixed for the election of the board of directors, who shall hold office for one year. Each share of stock represented at such meeting shall be entitled to one vote. Notice of such meetings shall be published in one of the daily newspapers of the city of New Orleans for the space of ten days immediately preceding such election. The said election shall be held at the office of the company under the supervision of three stockholders appointed for that purpose by the board of directors at the last regular meeting thereof; the stockholders receiving a majority of the votes shall be declared elected. A failure to elect a board of directors shall not operate a dissolution of the corporation, but the directors chosen at a former election shall hold over and continue until the election of their successors; nothing in this to be construed so as to permit said directors to fail to order an election for directors at the time herein designated, or to prevent the stockholders from holding an election at the said time.

Article third.

All citations or other legal process shall be served upon the president of said corporation, or in his absence or disability upon

the vice-president; in the absence or disability of both these officers upon the secretary.

Article fourth.

The objects and purposes for which this corporation is organized are hereby declared to be to provide a means of investment for small sums of money by the issue of debentures, purchasable by installments and payable at a fixed date, to secure the return of such investments with profit so as to assist investors in procuring homes or other property.

Article fifth.

The capital stock of this corporation is hereby declared to be one hundred thousand dollars, divided into one thousand shares of one hundred dollars each, payable in installments at such time and in such manner as the board of directors may determine. All stock must be transferred upon the books of the company. No stock shall be issued nor certificate given therefor until the amount subscribed for shall be fully paid. All certificates of stock shall bear the seal of this company and be signed by the president and secretary. The company shall commence business when fifty per centum of the capital stock has been subscribed.

Article sixth.

The debentures issued by this company shall be for the fixed sum of two hundred and sixteen dollars, payable, unless sooner redeemed, at maturity, to wit: six years from the date of issue, and shall be signed by the president and secretary, and bear the seal of the company.

All applications for debentures shall be made in writing on a form prepared by the company, and only issued after approval, under rules established by said board of directors. The payment of each debenture shall be made by installments of two dollars, payable monthly in advance. All payments of said monthly installments are due on the first day of each month; but the investors will be allowed until the fifth day of each month, at the hour of 3 p. m., to make said payments. If the fifth should fall on a Sunday or legal holiday the payment shall then be made on the following legal day before 3 p. m. A failure to pay such installments at the time herein stated shall forfeit all payments made and annul such debenture on which said installments are due and unpaid. This company is also authorized to issue debentures of greater or less denominations, payable at same ratio above prescribed in proportion to face value of debenture.

If a holder of a debenture shall have paid seven installments or more and fails to make further payments the said debenture shall be null and void, and the holder, on its surrender to the company, shall receive, thirty days thereafter, a return in cash of fifty per centum of installments paid.

Article seventh.

All funds arising from monthly installments must be set aside as follows:

Sixty-five per cent. applied to redemption of debentures each month, the redemption of debentures to commence and continue in their numerical order, redeeming them at their redemption value according to age, after seven monthly payments; ten per cent. carried to the expense fund, which fund shall be used for the purpose of paying all the expenses incident to the management of the company except commissions to agents.

Twenty-five per cent. to the reserve fund, which fund, with the exception of commissions paid to agents, shall be invested in such manner as will protect the debenture-holder and secure the redemption of all debentures.

Article eighth.

The day of redemption shall be the tenth of each month. In case of a holiday or Sunday, on the next legal day following. All debentures shall be numbered in regular order, commencing with the number one (1). Debentures issued from the first of each month to the ninth inclusive shall bear the date of the month in which issued; from the tenth of the month debentures will bear the date of the succeeding month. All debentures will bear as dates the first of the month, and no other date.

The company shall commence to redeem debentures in numerical order after six months from date of first issue of debentures. The redemption value after seven payments shall be twenty-one dollars, and increase in value each month thereafter the sum of three dollars until redemption or maturity; provided, the monthly installments be regularly paid as herein provided for. All debentures redeemed to be returned to the company and canceled, and those forfeited by non-payment shall *ipso facto* become null and void. All debentures shall be non-transferable before maturity.

Article ninth.

All loans shall be under the control and direction of the board of directors of this company, which board shall have power to make such rules, regulations and by-laws regarding the same as may be deemed necessary or expedient. The board of directors shall also have power to fill any vacancy occurring in their number.

Article tenth.

No stockholder shall ever be held liable or responsible for the contracts or faults of this company in any further sum than the unpaid balance due on shares owned by him, nor shall any mere informality in organization have the effect of rendering this act null or of exposing a stockholder to any liability beyond the amount of his or her shares.

No debenture-holder shall be liable for any indebtedness due by this incorporation.

Article eleventh.

Whenever this incorporation is dissolved, either by limitation or any other cause, its affairs shall be liquidated under the superintendence of the board of directors, who shall remain in office until the affairs of said corporation shall have been fully settled and liquidated, and in the case of any vacancy occurring among the members of said board the remaining members shall continue to act, and they shall have power to fill such vacancy with a person qualified as a director.

The said board of directors liquidating the affairs of this company shall have power and discretion, if in their opinion to the interest of the company and debenture-holders, to redeem all outstanding non-matured debentures by paying the full amount of all installments paid with six per cent. per annum interest to the date of such redemption, or to continue the liquidation by receiving the monthly installments and redeeming the debentures monthly; provided, the said board of directors shall discontinue the sale of all debentures from the date upon which the company enters into liquidation.

Article twelfth.

The fiscal year of this incorporation shall commence on the first day of October and terminate on the thirtieth day of September of each year.

Article thirteenth.

This act of incorporation may be modified, changed or altered, or said corporation may be dissolved, with the assent of three-fourths of the whole capital stock at any general meeting of the stockholders convened for such purpose, after thirty days' previous notice of such meeting shall have been published in two of the daily morning newspapers published in New Orleans, La.

Thus done and passed before me at the city of New Orleans, on the day and date hereof, in the presence of Wm. K. Horn and A. B. Granzin, competent witnesses, who, together with appearers and me, notary, subscribe our names:

Witnesses: Wm. K. Horn, A. B. Granzin.

(Original signed:) W. H. Rogers, twenty-five shares; Gordon S. Orme, twenty-five shares; P. F. Herwig, twenty-five shares; S. B. Daniel, twenty-five shares; Henry Kahn, twenty-five shares; Henry Gehl, twenty-five shares; Theodore D. Waiss, twenty-five shares; A. F. Waiss, twenty-five shares; John Poitevent, twenty-five shares; Albert G. Phelps, twenty-five shares; A. S. Waiss, M. D., twenty-five shares; J. P. Williams, twenty-five shares; H. B. Byrne, twenty-five shares; Maximilian Hermann, twenty-five shares; A. F. Himel, twenty-five shares; Geo. K. Pratt, M. D., twenty-five shares; W. P. Wall, twenty-five shares; J. W. Moore, twenty-five shares; P. R. Hennessy, twenty-five shares; Geo. Scheuermann, twenty-five shares.

HENRY L. GARLAND, JR.,
Notary Public.

I, the undersigned, recorder of mortgages in and for the parish of Orleans, State of Louisiana, do hereby certify that the above and foregoing act of incorporation of the New Orleans Debenture Redemption Company of Louisiana, Limited, was this day duly recorded in my office in Book 516, fol. 307.

New Orleans, September 26, 1894.

A. C. WINN.
GEO. GUINAULT, *R. M.*

A true copy from the original act on file and of record in my office.

New Orleans, Sept. 28, 1894.

HENRY L. GARLAND, JR.,
Notary Public.

Charter.

Amendments to the charter of the New Orleans Debenture Redemption Company of Louisiana, Limited, 7th July, 1897.

UNITED STATES OF AMERICA,
State of Louisiana, Parish of Orleans, City of New Orleans.

Be it known that on this seventh day of the month of July, in the year of our Lord one thousand eight hundred and ninety-seven (1897), and of the Independence of the United States of America the one hundred and twenty-first, before me, Alcee J. Villere, a notary public, duly commissioned and qualified, in and for the parish of Orleans, and in the presence of the witnesses hereinafter named and undersigned, personally came and appeared Mr. George A. Villere, president of the New Orleans Debenture Redemption Company of Louisiana, Limited, and Mr. Joseph P. Williams, secretary of said company, both residents of this city and of the full age of majority, who declared that at a general meeting—the stockholders of the aforesaid company, convened for such purpose, after the required notices and delays, the following amendments to the charter or act of incorporation of said company of the 25th September, 1894, were unanimously adopted by a majority of the stockholders of said company, representing more than three-fourths of the whole capital stock of said company.

As will fully appear by the report of Mr. William Laughlin, chairman, and Mr. Walter H. Rogers, secretary of said general meeting.

Which report and action of said general meeting are now produced and annexed to the present act as part hereof, after having been paraphed "*ne varietur*" by the undersigned notary.

Which amendments are in the words and figures following:

Amendments.

That article second be amended and adopted so as to read:

The corporate powers of this company shall be exercised by a board of directors, consisting of not less than eight or more than

twelve stockholders, to be decided at each annual meeting of the stockholders called for the purpose of electing directors, and a majority of the number of directors so decided on shall constitute a quorum for the transaction of business. The present board of directors, composed of Geo. A. Villere, Dr. A. S. Waiss, W. L. Saxon, Gordon S. Orme, P. F. Herwig, Geo. D. Feldner, H. B. Byrne, Geo. L. Crandall, Lewis S. Graham, Howard J. Lyons, Walter H. Rogers, O. M. White, shall remain in office until the next annual election of directors, to be held the first Tuesday of October, 1897.

The board of directors shall elect one of their members president and as many vice-presidents as may be deemed advisable; who shall act in the absence of the president or in his inability to act, whose terms shall be coincident with the board by whom elected; they shall elect and appoint a competent person as secretary and a competent person as treasurer, and such employees as may be requisite for the conduct of the business; fix all salaries and fees and establish rules for the direction of said employees; to require bond and fix the amount, and said employees will serve during the pleasure of the board.

The first Tuesday of October of each year is fixed for the election of the board of directors, who shall hold office for one year. Each share of stock represented at such meeting shall be entitled to one vote.

Written notice of such election shall be mailed or otherwise delivered ten days in advance of the stockholders' meeting therefor, to the last known residence of each stockholder, personally addressed to him or her.

The said election shall be held at the office of the company under the supervision of three stockholders appointed for that purpose by the board of directors at the last regular meeting thereof; the stockholders receiving a majority of the votes shall be declared elected. A failure to elect a board of directors shall not operate a dissolution of the corporation, but the directors chosen at a former election shall hold over and continue until the election of their successors; nothing in this to be constructed so as to permit said directors to fail to order an election for directors at the time herein designated, or to prevent the stockholders from holding an election at the said time.

Article fifth be amended and adopted so as to read:

The capital stock of this corporation is hereby declared to be one hundred thousand dollars, divided into one thousand shares of one hundred dollars each, payable in installments at such time and in such manner as the board of directors may determine. All stock must be transferred upon the books of the company. No stock shall be issued nor certificate given therefor until the amount subscribed for shall be fully paid. All certificates of stock shall bear the seal of this company and be signed by the president and the secretary. The company shall commence business when fifty per centum of the capital stock has been subscribed.

Article sixth be amended and adopted to read:

The debentures sold by this company shall be issued in numerical

order and shall be sold for fixed sums, payable at fixed dates, guaranteeing a fixed percentage of profit, and shall be sold under such terms and conditions as the board of directors may determine; provided each debenture shall contain in full the exact terms of the agreement between the company and the debenture-holder.

All debentures shall be non-transferable, and the redemption value or maturity value thereof shall be paid only to the person in whose name the debenture was issued.

Debentures in force shall be subject to monthly redemption on such date as the board of directors may determine in the manner and from the redemption fund hereinafter provided for, and the redemption value of a debenture thus redeemed shall be the amount of monthly installments paid therefor, plus the rate of profit thereon guaranteed in the debenture. The board of directors shall have the power to prescribe at any time such regulations regarding forfeitures of debentures for non-payment, and for reinstatement of such forfeited debentures, and loan and surrender values of debentures as they may see*m* fit. All amounts received in payment of installments must be set aside as follows:

Sixty-five per cent. to the redemption fund; this fund shall be applied to the redemption of debentures each month, the redemption to commence with the oldest debentures in force, and continue in numerical order, redeeming them at their redemption value according to age.

Twenty-five per cent. to the reserve fund; this fund shall be invested for the protection of debenture-holders and to secure the payment of debentures at their maturity.

To this fund shall be also added all earned interest, rents, profits on investments derived from this fund, and fees of any kind. From this fund shall be paid all commissions to agents.

Ten per cent. to the expense fund. This fund shall be used for the purpose of paying all expenses incident to the management of the company, except commission to agents. Any surplus above such expenses may be applied to payment of dividends on the capital stock.

That article eighth be abrogated.

That article ninth should be article eighth.

That article tenth be article ninth, and amended and adopted so as to read:

No stockholder shall ever be held liable or responsible for the contracts or faults of this company in any further sum than the unpaid balance due on shares owned by him, nor shall any mere informality in organization have the effect of rendering this act null or of exposing a stockholder to any liability beyond the unpaid balance due on shares subscribed for by him.

No debenture-holder shall be liable for any indebtedness due by this incorporation.

That article eleventh be article tenth.

That article twelfth be article eleventh.

That article thirteenth be article twelfth, and amended and adopted so as to read:

This act of incorporation may be modified, changed or altered, or said corporation may be dissolved, with the assent of three-fourths of the whole capital stock at any general meeting of the stockholders convened for such purpose, after thirty days' previous notice in writing of such meeting shall have been mailed or otherwise delivered at the last known residence of each stockholder, personally addressed to him.

Thus done and passed at my office, in the city of New Orleans, in the presence of Messrs. Robert L. Myers and George H. Claussen, competent witnesses, residing in this city, who have signed the present act, with the aforenamed appearers and me, notary, on the day, month and year first above written, and after due reading.

(Original signed) GEO. A. VILLERE.
J. P. WILLIAMS.
R. L. MYERS.
G. H. CLAUSSEN.
A. J. VILLERE,
Notary Public.

A true copy of the original in my archives.
New Orleans, July 7, 1897.

A. J. VILLERE,
Notary Public.

Original recorded in mortgage office, in Book 600, folio —.
New Orleans, July 7, 1897.

GEO. GUINAULT.

jy18 5t 30d

363 No. 56658.

Charter of the New Orleans Debenture Redemption Company of Louisiana, Ltd., Incorporated under the Laws of the State of Louisiana.

Civil District Court, Parish of Orleans.

Filed May 20, '98. (Signed) T. J. Tournillon, D'y Clerk.

Charter of the New Orleans Debenture Redemption Company of Louisiana, Ltd., incorporated under the laws of the State of Louisiana.

Charter.

The New Orleans Debenture Redemption Co. of La., Limited.

Article first.

The name and title of the corporation hereby formed is declared to be the New Orleans Debenture Redemption Company of Louisiana, Limited. It shall have its domicile in the city of New Orleans, and shall have and enjoy all rights and privileges of corporate succession for a period of ninety — years from the date hereof, unless sooner dissolved; it shall have power to contract, sue and be sued, to make and use a corporate seal, to hold, receive, lease, improve,

purchase, sell, convey, mortgage and pledge property, real and personal; to borrow money, to lend money on security; to make and establish by-laws for its proper management and not inconsistent with this charter; to name and appoint all officers and employees, and to do and perform all acts necessary and proper to carry out the purposes of this organization.

Article second.

The corporate powers of this company shall be exercised by a board of directors consisting of not less than eight, nor more than twelve stockholders, to be decided at each annual meeting of the stockholders called for the purpose of electing directors, and a majority of the number of directors so decided on shall constitute a quorum for the transaction of business.

The present board of directors, composed of Geo. A. Villere, Dr. A. S. Waiss, W. L. Saxon, Gordon S. Orme, P. F. Herwig, Geo. D. Feldner, H. B. Byrne, Geo. L. Crandall, Lewis S. Graham, Howard J. Lyons, Walter H. Rogers, O. M. White, shall remain in office until the next annual election of directors, to be held the first Tuesday of October, 1897.

The board of directors shall elect one of their number president and as many vice-presidents as may be deemed advisable, who shall act in the absence of the president, or in his inability to act, whose terms shall be coincident with the board by whom elected; they shall select and appoint a competent person as secretary, and a competent person as treasurer, and such employees as may be requisite for the conduct of the business; fix all salaries and fees, and establish rules for the direction of said employees; to require bond and fix the amount, and said employees will serve during the pleasure of the board.

The first Tuesday of October of each year is fixed for the election of the board of directors, who shall hold office for one year. Each share of stock represented at such meeting shall be entitled to one vote.

Written notice of such election shall be mailed or otherwise delivered ten days in advance of the stockholders' meeting therefor, to the last known residence of each stockholder, personally addressed to him or her.

The said election shall be held at the office of the company under the supervision of three stockholders appointed for that purpose by the board of directors at the last regular meeting thereof; the stockholders receiving a majority of the votes shall be declared elected. A failure to elect a board of directors shall not operate a dissolution of the corporation, but the directors chosen at a former election shall hold over and continue until the election of their successors; nothing in this to be construed so as to permit said directors to fail to order an election for directors at the time herein designated, or to prevent the stockholders from holding an election at the said time.

Article third.

All citations or other legal process shall be served upon the presi-

dent of said corporation, or in his absence or disability upon the vice-president; in the absence or disability of both these officers, upon the secretary.

Article fourth.

The objects and purposes for which this corporation is organized are hereby declared to be to provide a means of investment for small sums of money by the issue of debentures, purchasable by instalments and payable at a fixed date, to secure the return of such investments with profit so as to assist investors in procuring homes or other property.

Article fifth.

The capital stock of this corporation is hereby declared to be one hundred thousand dollars, divided into one thousand shares of one hundred dollars each, payable in instalments at such time and in such manner as the board of directors may determine. All stock must be transferred upon the books of the company. No stock shall be issued nor certificate given therefor until the amount subscribed for shall be fully paid. All certificates of stock shall bear the seal of this company and be signed by the president and secretary. The company shall commence business when fifty per centum of the capital stock has been subscribed.

Article sixth.

The debentures sold by this company shall be issued in numerical order and shall be sold for fixed sums payable at fixed dates, guaranteeing a fixed percentage of profit, and shall be sold under such terms and conditions as the board of directors may determine; provided, each debenture shall contain in full the exact terms of the agreement between the company and the debenture-holder.

All debentures shall be non-transferable, and the redemption value, or maturity value, thereof shall be paid only to the person in whose name the debenture was issued.

Debentures in force shall be subject to monthly redemption, on such date as the board of directors may determine, in the manner and from the redemption fund hereinafter provided for, and the redemption value of a debenture thus redeemed shall be the amount of monthly instalments paid therefor, plus the rate of profit thereon guaranteed in the debenture. The board of directors shall have the power to prescribe at any time such regulations regarding forfeitures of debentures for non-payment, and for reinstatement of such forfeited debentures, and for loan and surrender values of debentures, as they may see fit.

Article seventh.

All amounts received in payment of instalments must be set aside as follows:

Sixty-five per cent. to the redemption fund; this fund shall be applied to the redemption of debentures each month, the redemption to commence with the oldest debenture in force, and continue

in numerical order, redeeming them at their redemption value according to age.

Twenty-five per cent. to the reserve fund; this fund shall be invested for the protection of debenture-holders and to secure the payment of debentures at their maturity. To this fund shall also be added all earned interest, rents and profits on investments derived from this fund, and fees of any kind. From this fund shall be paid all commissions to agents.

Ten per cent. to the expense fund; this fund shall be used for the purpose of paying all expenses incident to the management of the company except commissions to agents. Any surplus above such expenses may be applied to payment of dividends on the capital stock.

Article eighth.

All loans shall be under the control and direction of the board of directors of this company, which board shall have power to make such rules, regulations and by-laws regarding the same as may be deemed necessary or expedient. The board of directors shall also have power to fill any vacancy occurring in their number.

Article ninth.

No stockholder shall ever be held liable or responsible for the contracts or faults of this company in any further sum than the unpaid balance due on shares owned by him, nor shall any mere informality in organization have the effect of rendering this act null or of exposing a stockholder to any liability beyond the unpaid balance due on shares subscribed for by him.

No debenture-holder shall be liable for any indebtedness due by this incorporation.

Article tenth.

Whenever this incorporation is dissolved, either by limitation or any other cause, its affairs shall be liquidated under the superintendence of the board of directors, who shall remain in office until the affairs of said corporation shall have been fully settled and liquidated, and in the case of any vacancy occurring among the members of said board the remaining members shall continue to act, and they shall have power to fill such vacancy with a person qualified as a director.

The said board of directors liquidating the affairs of this company shall have power and discretion, if in their opinion to the interest of the company and debenture-holders, to redeem all outstanding non-matured debentures by paying the full amount of all instalments paid with 6 per cent. per annum interest to the date of such redemption, or to continue the liquidation by receiving the monthly instalments and redeeming the debentures monthly; provided the said board of directors shall discontinue the sale of all debentures from the date upon which the company enters into liquidation.

Article eleventh.

The fiscal year of this incorporation shall commence on the first day of October and terminate on the thirtieth day of September of each year.

Article twelfth.

This act of incorporation may be modified, changed or altered, or said corporation may be dissolved, with the assent of three-fourths of the whole capital stock at any general meeting of the stockholders convened for such purpose, after thirty days' previous notice in writing of such meeting shall have been mailed, or otherwise delivered at the last known residence of each stockholder, personally addressed to him.

Original charter before Henry L. Garland, notary public, September 25, 1894; recorded in mortgage office as per following certificate:

I, the undersigned, recorder of mortgages in and for the parish of Orleans, State of Louisiana, do hereby certify that the above and foregoing act of incorporation of the New Orleans Debenture Redemption Company of Louisiana, Limited, was this day duly recorded in my office in Book 516, folio 307.

A. C. WINN.
GEO. GUINAULT, *R. M.*

New Orleans, September 26, 1894.

Charter amended by act before A. J. Villere, notary public, July 7, 1897; recorded in mortgage office as per following certificate:

Original recorded in mortgage office in Book 600, folio 103.
GEO. GUINAULT, *D'y R.*

New Orleans, La., July 7, 1897.

[***Here follows reproduction—List of Debentures, Ap'l 10, 1898.***]

364 P 3.

Issue of May 1, 1898.

How to Invest.

The New Orleans Debenture Redemption Company of Louisiana, Limited.

Capital stock, $100,000.

Copyright 1896.

A Comparison.

The order of nature is generation, life and death.

In life insurance the application for a policy is its generation. The period of time during which you pay your premiums is its life. At your death the policy becomes due and is paid; that is its death.

(a)

REDEMPTIONS.

Below we give a list of each month's redemptions to date, followed by a statement of this month's redemptions. The names and addresses of all the holders in the following redemptions can be found on file in our office:

Debentures Nos.	Date Redeemed	Age	Amount Paid by Holder	Amount Received by Holder	Profit to Holder
1—76	April 10, 1895	7	$1,050 00	$1,575 00	$ 525 00
77—158	May 10, 1895	8	1,296 00	1,944 00	648 00
159—251	June 10, 1895	9	1,530 00	2,295 00	765 00
252—344	July 10, 1895	10	1,660 00	2,490 00	830 00
345—450	August 10, 1895	11	2,112 00	3,168 00	1,056 00
451—356	September 10, 1895	11	1,980 00	2,970 00	990 00
557—608	October 10, 1895	12			
609—702		11	2,280 00	3,420 00	1,140 00
703—866	November 10, 1895	12	2,664 00	3,996 00	1,332 00
867—1000	December 10, 1895	12	2,568 00	3,852 00	1,284 00
1001—1128	January 10, 1896	13			
1129—1152		12	2,790 00	4,185 00	1,395 00
1153—1355	February 10, 1896	13	2,990 00	4,485 00	1,495 00
1356—1524	March 10, 1896	14	3,360 00	5,040 00	1,680 00
1525—1542	April 10, 1896	15			
1543—1728		14	3,700 00	5,550 00	1,850 00
1729—1973	May 10, 1896	15			
1974—2065		14	4,138 00	6,207 00	2,069 00
2066—2105	June 10, 1896	15			
2106—2257		14			
2258—2292		13	4,714 00	7,071 00	2,357 00
2293—2415	July 10, 1896	14			
2416—2506		13	4,762 00	7,143 00	2,381 00
2507—2532	August 10, 1896	14			
2533—2744		13	5,320 00	7,980 00	2,660 00
2745—3006	September 10, 1896	14			
3007—3063		13	5,578 00	8,517 00	2,939 00
3064—3430	October 10, 1896	14			
3431—3433		13	6,492 00	9,738 00	3,246 00
3434—3648	November 10, 1896	14			
3649—3765		13	6,664 00	9,996 00	3,332 00
3766—4035	December 10, 1896	14			
4036—4038		13	6,938 00	10,407 00	3,469 00
4039—4344	January 10, 1897	14	7,448 00	11,172 00	3,724 00
4345—4447	February 10, 1897	15			
4448—4639		14	7,836 00	11,754 00	3,918 00
4640—4978	March 10, 1897	15	8 400 00	12,600 00	4,200 00

REDEMPTIONS.—Continued.

Debentures Nos.	Date Redeemed	Age	Amount Paid by Holder	Amount Received by Holder	Profit to Holder
4979—5064	April 10, 1897	16			
5065—5312		15	$8,956 00	13,434 00	4,478 00
5313—5639	May 10, 1897	16	9,600 00	14,400 00	4,800 00
5640—5976	June 10, 1897	17			
5977—6013		16	10,102 00	15,153 00	5,051 00
6014—6386	July 10, 1897	17	10,676 00	16,014 00	5,338 00
6387—6780	August 10, 1897	18	11,052 00	16,578 00	5,526 00
6781—6924	September 10, 1897	19			
6925—7149		18	11,549 00	17,310 00	5,770 00
7150—7550	October 10, 1897	19	11,628 00	17,442 00	5,814 00
7551—7900	November 10, 1897	20	11,640 00	17,460 00	5,820 00
7901—8285	December 10, 1897	20			
		19	11,562 00	17,343 00	5,781 00
8286—8723	January 10, 1898	20	11,792 00	17,688 00	5,896 00
8724—9062	February 10, 1898	20	11,400 00	17,100 00	5,700 00
9063—9362	March 10, 1898	21	11,508 00	17,262 00	5,754 00
Total prior to this date,			$230,026.00	$345,039.00	$115,013.00

REDEMPTION No. 37.

APRIL 10, 1898.

Nos. 9363—9693, Age 22 Months.

Amount Paid by Holders, - -	$11,660
Amount Received, - - - -	17,490
Profit to Holders, - - -	$5,830

Our next Redemption will be on May 10, 1898, commencing with Debenture No. 9694.

For further information ring up Telephone No. 1472, or ADDRESS US BY MAIL at the correct address of the Company, 200 Camp Street.

15213

New Orleans Debenture Redemption Co. of Louisiana, Ltd.
List of Debentures Redeemed
No. 5 to 15
April 10, 1898.
Civil District Court
President
WALTER H. ROGERS.
Vice-Pres.
WALTER L. SAXON.
Sec'y & Treas.
J. P. WILLIAMS.
Asst. Secy.
C. J. SWAN.
Paid Up Capital,
$50,000
RESERVE FUND, $125,
Total, - $175,808
Our March Redemption List was published too late to admit of its form being copied by others. We venture to prophesy however this month will see the Redemption Lists of the most of the so-called debenture companies come out in exactly the same style. There is one point however on which we feel safe from imitation: WE PUBLISH THE AMOUNT OF OUR PAID-UP CAPITAL AND RESERVE FUND.
General Offices,
200 CAMP STREET,
NEW ORLEANS, LA
TELEPHONE 1472

The case of the State against the Louisiana Bond Company brings out the fact repeatedly urged by us that at least one of the many concerns professing to operate on plans copied from ours has been managed by men who, either from incompetency or other causes, are entirely unworthy of confidence.

Any business that involves the handling of other people's funds ought to be surrounded by proper safeguards against dishonesty or bad management. We have been, and still are, doing our utmost to have this rule applied to the debenture business. In particular we desire that action be taken by the State to the following ends:

1. That the business, and the companies professing to conduct it, be thoroughly investigated by proper experts, in order to determine the truth of the different assertions made for and against it, and them.
2. That no company be allowed to commence or continue in business without a license from the State.
3. That such license shall only be issued on compliance with the following conditions:

(a) That the officers and employes in actual charge of the business be men of responsibility and unimpeachable character.

(b) That the capital stock be fully paid up in cash.

(c) That $100,000 in cash or State bonds be deposited with the State Treasurer for the protection of investors.

(d) That proper provision for the protection of the Reserve Fund be made by charging an initiation fee so-called, in the same way as done by our company.

4. That the books of every company be periodically inspected by a State official.

The crying need of such reforms is manifest, and we ask the hearty co-operation of all our investors to that end.

The business either is or is not a legitimate one. The different companies professing to conduct it either are or are not conducting it honestly. There is a right and a wrong way of settling everything, and the right way to settle this is proper State investigation, not sweeping general statements from sensation mongers or interested parties, still less insinuation and invective or anonymous communication.

So far as our Company is concerned, we have only this to say. If anyone has any complaint to make, either on the score of the soundness of our system, our ability to make good our contracts or the manner in which we deal with our investors, we are at all times ready to meet it when definitely shaped and presented, AT ONCE.

In this company the application for investment bond is its generation. The period of time during which you pay your dues is its life. The bond is matured and paid from the same identical sources as the insurance policy, and that is its death. But you live to enjoy the benefits derived by its death.

Another Comparison.

Some investment companies have a lottery or chance feature as a part of their plan. We have no drawing of any kind.

In some companies you do not know when you may retire without loss. In our company your definite rights are "written in the contract."

Read this booklet and learn our plan.

The New Orleans Debenture Redemption Co. of Louisiana, Ltd.

Officers:

W. H. Rogers, president.
W. L. Saxon, vice-president.
J. P. Williams, sec'y and treasurer.
Rogers & Dodds, general att'ys.

Depositaries:

Louisiana national bank.
New Orleans national bank.
Whitney national bank.
Hibernia national bank.

Incorporated October 1, 1894.
Commenced redemption April 10, 1895

Directors:

Walter L. Saxon, of Smith Bros. & Co., Ltd., wholesale grocers.
Gordon S. Orme, rice merchant.
Walter H. Rogers, lawyer, ex-attorney general State of La.
J. L. Herwig, capitalist.
H. B. Byrne, com. ag't, Savannah fast freight line.
Geo. D. Feldner, retail druggist.
J. B. Sinnott, of Smith Bros. & Co., Ltd., wholesale grocers.
J. P. Williams.

The New Orleans Debenture Redemption Company of Louisiana, Ltd.

Capital stock, 100,000.

Chartered under the laws of the State of Louisiana.

I, the undersigned, recorder of mortgages in and for the parish of Orleans, State of Louisiana, do hereby certify that the act of incorporation of the New Orleans Debenture Redemption Company of

Louisiana, Ltd., was this day duly recorded in my office, in Book 516, folio 307.

A. C. WINN.
GEO. GUINAULT, *R. M.*

New Orleans, La., September 26, 1894.

General offices, 200 Camp street.

Telephone 1472.

New Orleans, La.

Objects and purposes of this company are to provide a way for the investment of small or moderate savings, giving the investor the quickest as well as the largest returns consistent with absolute safety.

The basis of our system.—For all practical purposes and statistical data it is only necessary to go back some two hundred years for the origin of the co-operative feature of our system, which is commonly known as the "tontine principle," the true meaning and definition of which is simply "the investor must comply with his or her part of the contract, or else pay the penalty as prescribed and agreed to by both parties to said contract."

You cannot impeach the tontine principle of investment as conducted by this company without shaking to its very centre every principle involved in life insurance, whether it be in the line of natural premium or "old-line" systems.

The tontine idea, coupled with the mathematical certainty of the accumulative power of compound interest, forms the basis of our system.

Advantages.—Advantages offered by this company are:

First. A convenient and easy way of accumulating money by small monthly payments, and

Second. The amount thus accumulated is returned in a lump sum, with a fixed per cent. of increase, so the investor knows in advance exactly what his dollar will bring him.

The only uncertainty is "how many dollars can he invest" under his contract with us.

Operation.—This company issues a contract or bond, or, as we term it, a "debenture," the face value of which is $216.

This debenture is payable in six years from its date, unless sooner redeemed, in accordance with the terms and conditions contained therein.

The debentures are issued in regular numerical order, beginning with No. 1.

Payments.—The payments on debentures are two dollars for each debenture, payable to an authorized agent of the company upon signing the application, and a monthly instalment of two dollars, which must be paid at the office of the company, or to a duly authorized local depository, by 3 o'clock p. m. on the last day of grace, or else the debenture will stand as lapsed.

Reinstatements.—A debenture may be reinstated any time within thirty days of the date of lapsing by the payment of a reinstatement fee of one dollar on each debenture, in addition to the regular instalment.

This reinstatement fee is carried to the reserve fund.

Distribution of receipts.—All funds arising from the monthly instalments paid on debentures are distributed or divided into three funds, viz.: Redemption, reserve and expense funds.

Redemption fund.—Sixty-five per cent. of all monthly instalments is applied to the redemption of debentures, and on the tenth day of each month the aggregate amount of this fund which shall have accrued from total dues or instalments paid during the preceding month is paid out in redemption of debentures, calling them in in their regular numerical order, beginning with the oldest debenture in force, paying each debenture its fixed contract price, as set forth in table of values, according to its age. This is continued until the amount of the redemption fund for the current month is exhausted.

Reserve fund.—The reserve fund is composed of 25 per cent. of all monthly instalments paid in on debentures, in addition to the first or advance payment of two dollars on each and every debenture issued.

This fund is the foundation or corner-stone to the system, and it, together with the capital stock, is the security which guarantees the payment of all debentures.

This is the compound interest working power of the company, constantly increasing with mathematical certainty and precision, by the power of interest, the continuity of business and the natural growth of the system by the infusion of new members.

The more business we do the faster this fund grows and the longer it has to exert the power of interest. For remember, this fund cannot be touched except to pay debentures that have been in force for six years, and then only in the event of the 65 per cent. fund for the current month not being sufficient to pay off all of the then matured debentures.

The treatise of this fund as to its sufficiency is actuary's work, and our tables, which are open to inspection, treat this subject fully.

Don't be unfair toward us. Don't say it cannot be done without fully investigating our system. And for this purpose we cordially invite you to come, or send your legal representative, to the office and inspect same to your satisfaction.

Expense fund.—Ten per cent. of all monthly instalments paid on debentures is applied to this fund, and the expenses of the business must be paid from this fund.

If there should be a balance left in this fund over and above the expenses, at the end of each fiscal year, said balance will go to the stockholders in dividends.

Length of time a given debenture will run.—The life of any given debenture is directly regulated by two factors: First, the volume of

business, or, in other words, the number of debentures issued subsequently to said debentures, and

Second, the number or percentage of lapses or withdrawals amongst the debentures issued prior to the given debentures.

To illustrate: Take debenture No. 1. If that were the only one ever issued, or the last man, it would run just six years. If, on the other hand, the company issued during the first seven months seventeen more, we would see No. 1 paid when it is seven months old, for we would have dues from eighteen debentures at $2, equals $36, distributed as follows to the different funds: Redemption, $23.40; reserve, $9; expense, $3.60. Now, we must pay out the redemption fund each month, and we find that a debenture seven months old is worth $21. We have enough here to pay one, and as we pay them in numerical order, No. 1 would be paid. But suppose No. 1 had lapsed, then No. 2 would have to be paid.

Any one can estimate the time required for their debenture to mature, by determining the number required to be in force at a given time, eliminating lapses, by the following simple proportion: The number of your debenture : x : : 43 : 100. Always remember lapses or withdrawals of numbers prior to yours hasten the time for your redemption. To determine the number of debentures now in force deduct from the last number issued the sum of redemptions and lapses.

Withdrawal value.—The withdrawal or cash-surrender value of debentures is fixed by contract, at an amount equal to one-half of the monthly instalments paid in, provided seven or more monthly instalments shall have been paid.

Loan value.—This company will loan to its depositors or debenture-holders, at their option, on their debentures as collateral, an amount equal to the surrender value. Such loans shall bear interest at the rate of 8 per cent. per annum. A fee of one dollar to cover stationery, etc., is charged for making these loans.

Comparative Results.

Where can you find a more solid financial institution than "the Equitable Life Insurance Association of New York"? The stability, feasibility and practicability of this institution *is* universally recognized, and it would be hard to find a person so ignorant or pessimistic as to assert that a policy-holder in this association is throwing away his money, and that it is a mathematical impossibility for the association to carry out the terms of their contracts.

What are their contracts? And how do they compare with the contracts issued by

The New Orleans Debenture Redemption Company of Louisiana, Ltd.?

On February 5, 1873, the Equitable Life issued policy No. 77996 to "R. H. C.," who was 27 years old, and the rate of premium charged for the policy (which was a twenty-year tontine for $5,000) was $142.50 per annum. This policy matured in February, 1893, and

the association paid the holder $3,963.30 for the $2,850 he had invested, making the return to him equal to the total amount invested, together with 39 per cent. profit.

Now, suppose this policy had become due and payable twelve months from its date by the death of "R. H. C.," the association would have paid the holder $5,000, which would equal the total amount invested, $142.50, together with 3420 per cent. profit. If this policy became due and payable in its tenth year the association would have paid $5,000 for the $1,425, or an amount equal to 250 per cent. profit on the investment.

Thus we see that this association of world-wide reputation for solidity and fairness, as well as unquestioned legality, in issuing this contract assumed the contingent responsibility of paying the investor his money back, with a ratio of profit varying from 3420 per cent. to 39 per cent., and no one questions the feasibility of its undertaking.

Now compare this to the debenture company's contracts:

If the investor had paid us $142.50 when his debentures become due and payable, by the maturity of the debenture, we pay him $213.75, or $71.25 profit, 50 per cent. If he has paid $1,425 we give him $2,137.50, or $712.50 profit, 50 per cent. If he has paid $2,850 we give him $4,275, or $1,425 profit, 50 per cent. Now we ask,

Is it just to say the Equitable Life is all right and the debenture company is all wrong?

Their liabilities are paid from the same sources, and the security in both are the same, viz: their respective reserve funds.

Statistics show that for the past forty years the insurance companies have carried to their reserve funds an amount equal to 10 per cent. of their premium receipts.

Our charter requires us to pay 25 per cent. of our premium receipts to our reserve fund.

Thus we have two and one-half times as much reserve appropriation, and a determining element absolutely under our control, and pay on the average only one-fifth as much profit; and we are not boasting when we assert our ability to pay 50 cents with $2.50 as long as some one else can pay $2.50 with $1, especially when we control the maturity of our liabilities and the other people do not.

Don't be hasty in your conclusions and say it is all right for insurance companies to pay a rate of profit ranging from 39 per cent. to 3420 per cent., but at the same time refuse to admit that the debenture company can guarantee only 50 per cent. to all,

Without giving us a hearing.

(*Copy of Face of Debenture.*)

Incorporated under the laws of the State of Louisiana.

No. —. $216.00.

The New Orleans Debenture Redemption Company of Louisiana, Limited,

Issues

This debenture to —— —— upon — written and printed application dated ——, 189–, and in consideration thereof and the payment in advance of two dollars and of the monthly payment of two dollars to be made thereafter, at the office of the company, in the city of New Orleans, or to any duly authorized local depository, on or before the first day of each month in every year, following the date hereof, during the existence of this contract, until seventy-two monthly payments shall have been duly paid to the said company,

The New Orleans Debenture Redemption Co. of Louisiana, Limited,

does promise to pay to the said —— —— in six years from the date hereof, unless sooner redeemed, in accordance with the terms and conditions endorsed hereon and made part of this contract, the sum of two hundred and sixteen dollars upon the delivery and surrender of this debenture to this company.

In witness whereof, the undersigned officers of said company have signed and delivered this debenture at the city of New Orleans, Louisiana, this first day of ——, one thousand eight hundred and ninety- —.

—— ——, *President.*
—— ——, *Secretary.*

Terms and Conditions Referred to in Application.

Payments on each debenture shall be:

Two dollars, in advance, for the reserve fund (advance fee), paid to the authorized agent, and for which the applicant will be handed a receipt signed by such agent; and

A monthly instalment of $2, payable in advance at the home office in New Orleans, or at one of the company's local depositories, having the proper official receipts signed by the president and secretary, and properly countersigned.

All payments must be made in advance, without notice, on or before the first day of each month during the continuance of this contract.

Failure to pay the monthly instalment on or before the fifth day of the month, at 3 o'clock p. m., forfeits all prior payments made, and renders null and void the debenture or debentures upon which the monthly instalments are due and unpaid; but said debenture may be reinstated any time within thirty days by payment of a reinstatement fee of $1 on each debenture, in addition to the monthly

instalment which shall have been passed, together with the succeeding monthly instalment if it has then become due.

If the fifth of the month falls on Sunday or legal holiday, monthly instalments must be paid the following legal day by 3 o'clock p. m.

Thirty days after such non-payment and forfeiture, upon the delivery and surrender of the said debenture or debentures to the company, the debenture-holder will be entitled to receive a return in cash of 50 per cent. of the monthly instalments paid; provided, at least seven monthly instalments have been paid.

The redemption value of a debenture shall be an amount equal to the monthly instalments paid in, together with 50 per cent. profit on same.

Debentures are numbered in numerical order, and are non-transferable before maturity.

Debentures mature six years from and after their date, unless sooner redeemed in accordance with the terms of the company's charter.

No person is authorized to make, alter or discharge contracts or waive forfeitures.

No pereon is authorized to grant an extension of time for payments of advance fee or monthly instalments.

The applicant further agrees to notify the New Orleans Debenture Redemption Company, Limited, No. 201 Camp street, New Orleans, La., of any error or change in his or her address, in writing, at the same time giving the numbers of all debentures issued to him or her and in force.

Feasibility.

After seeing the results to the individual depositor with us, you may perhaps fall into the same error made by a great many, and think, as has been often said of our system, "nothing can legitimately pay such a large profit in so short a time." To this we reply, by asking you to look at our system in its absolute simplicity, and draw your own conclusions after first understanding what our contract is.

Our contracts pay fifty per cent. profit on the amount invested. Answering the assertion that nothing can pay so large a profit, we positively claim that any investment you may make will, if it pays at all, pay fifty per cent. profit, in time, and time is the essence of our system.

A Government bond bearing four per cent. interest will pay you fifty per cent. profit in time, to wit: twelve years and six months, yet no one questions the feasibility of this investment.

Take another comparison nearer home, we have in the stock of a local bank an investment that yields yearly dividends of eight per cent. This gives you fifty per cent. profit on your investment in time, to wit: six years and three months. But suppose this bank's deposits increase, or in other words does more business, what is the result? Naturally, an increase of dividends. Say these dividends increase to thirty per cent. per annum (and this has been done by a bank in the city of New Orleans). You who have stock in that

bank realizes fifty per cent. profit in time, to wit: twenty months, and yet you would not relish having the feasibility of your bank or banking system questioned. But how do you do it?

The answer is simple enough: By using other people's money. The volume of business, interest earnings on money you don't have to pay out.

We guarantee you in six years a profit of fifty per cent. and our system of operation requires us to give you this profit in as much shorter time as the volume of business done determines and fixes mathematically.

Were Government bonds a tontine investment, giving the millions of dollars derived from lapses, (lost or destroyed bonds) to the other, or persistent bondholders, how much sooner than twelve years would that investment realize fifty per cent. profit? Our system is semi-tontine and the persistent bondholder derives all the benefit of lapses or withdrawals.

Redemption Value of Debentures at Specified Age or After Specified Number of Monthly Instalments Have Been Paid.

Month inst. paid.	Value.	Month inst. paid.	Value.	Month inst. paid.	Value.
7	$21.00	29	$87.00	51	$153.00
8	24.00	30	90.00	52	156.00
9	27.00	31	93.00	53	159.00
10	30.00	32	96.00	54	162.00
11	33.00	33	99.00	55	165.00
12	36.00	34	102.00	56	168.00
13	39.00	35	105.00	57	171.00
14	42.00	36	108.00	58	174.00
15	45.00	37	111.00	59	177.00
16	48.00	38	114.00	60	180.00
17	51.00	39	117.00	61	183.00
18	54.00	40	120.00	62	186.00
19	57.00	41	123.00	63	189.00
20	60.00	42	126.00	64	192.00
21	63.00	43	129.00	65	195.00
22	66.00	44	132.00	66	198.00
23	69.00	45	135.00	67	201.00
24	72.00	46	138.00	68	204.00
25	75.00	47	141.00	69	207.00
26	78.00	48	144.00	70	210.00
27	81.00	49	147.00	71	213.00
28	84.00	50	150.00	72	216.00

Remember the tontine idea, coupled with the mathematical certainty of the cumulative power of compound interest, forms the basis of our system.

But we relieve our system of much of the harshness of the tontine system.

Thus

We take no undue advantage of forgetfulness. If your debenture has lapsed you may be reinstated any time within 30 days. See page 5.

We take no undue advantage of temporary inability to pay. You may borrow from this company probably sufficient to carry your debentures to maturity. See page 9.

We take no undue advantage of permanent distress. You may withdraw from the company. Your debenture has a withdrawal value. See page 9.

NEW ORLEANS DEBENTURE
REDEMPTION CO., LTD.,
200 *Camp Street, New Orleans.*

[Endorsed:] No. 56658. State of Louisiana *v.* N. O. Debenture Redemption Company, Limited. P 3. No. 56658. Civil district court, parish of Orleans. Filed January 31st, 1899. (Signed) P. J. Tournillon, d'y cl'k.

[*Here follows reproduction—Exhibits P 4 to P 20, incl.*]

372 Incorporated under the laws of the State of Louisiana.

Capital stock, $100,000.

Number —. 216 dollars.

[Vignette.]

The New Orleans Debenture Redemption Company of Louisiana, Limited,

Issues this debenture to —— —— upon — written and printed application dated —— —, 189–, and in consideration thereof and of the payment in advance of two dollars and of the monthly payment of two dollars, to be made thereafter, at the office of the company in the city of New Orleans or to any duly authorized local depository, on or before the first day of each month in every year, following the date hereof, during the existence of this contract, until seventy-two monthly payments shall have been duly paid to the said company.

The New Orleans Debenture Redemption Company of Louisiana, Limited, does promise to pay to the said —— —— in six years from the date hereof (unless sooner redeemed in accordance with the terms and conditions endorsed hereon and made part of this contract) the sum of two hundred and sixteen dollars upon the delivery and surrender of this debenture to this company.

In witness whereof the undersigned officers of said company have signed and delivered this debenture at the city of New Orleans,

Louisiana, this first day of ——, one thousand eight hundred and ninety-—.

—— ——, *President.*

—— ——, *Secretary.*

[Printed in black ink, surrounded by green border.]
[Printed across the face in red ink:] Sample copy.

[Debenture endorsed:] P 32. The New Orleans Debenture Redemption Company of Louisiana, Limited. $216.00. Issued to —— ——. Date, —— —, 189–. Monthly installments, $2.00. The New Orleans Debenture Redemption Company of La., Ltd. $216.00. No. 56658. Civil district court. State of Louisiana v. N. O. Debenture Redemption Co., Ltd. Offered in evidence by plaintiff. Filed February 1st, 1899. (Signed) Joe Garidel, d'y cl'k.

[On the back of debenture.]

Terms and Conditions.

Applications.

Debentures shall be issued only on application made in writing on a printed form prepared by the company.

Payments of installments.

Payments on debentures shall be two dollars, due and payable in advance on the first day of each month by three o'clock p. m. A failure to pay said installments on or before the fifth day of each month by three o'clock p. m. shall forfeit all payments made and make null and void the debenture on which the installment is due and unpaid.

If the fifth falls on Sunday or other legal holiday, payments must be made the following legal day before three p. m.

Non-forfeitures.

Non-forfeitures.—Thirty days after such forfeiture, upon the delivery and surrender of the debenture or debentures to the company the debenture holder will be entitled to receive a return in cash of fifty per cent. of the monthly installments paid, provided seven monthly installments have been paid.

Days of redemption.

The days of redemption are the tenth of every month. If the tenth falls on Sunday or other legal holiday, the redemption shall be on the following legal day.

Debentures are numbered and redeemed in numerical order.

Terms of redemption.

Debentures will be redeemed from month to month in regular numerical order after seven monthly payments.

15219

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04 FEBRUARY.

WALTER H. ROGERS, President. W. L. SAXON, Vice-President. J. P. WILLIAMS, Sec'y & Treas.
ROGERS & DODDS, General Attorneys. C. J. SWAN, Ass't Sec'y.

The New Orleans

Debenture Redemption Company

Of Louisiana, Limited,

GENERAL OFFICES, 200 CAMP STREET, COR. COMMON,
TELEPHONE 1472
NEW ORLEANS, LA.

Monthly Statement of Redemptions

Incorporated Oct. 1, 1894. Commenced Redemption April 10, 1895.

CAPITAL, $100,000

CAPITAL PAID UP, - -	$50,000.00
RESERVE FUND, - - -	111,718.63
TOTAL, -	$161,718.63

DEPOSITORIES:

Louisiana National Bank.
Whitney National Bank.
New Orleans National Bank.
Hibernia National Bank.

L. GRAHAM & SON, LTD., 207-211 BARONNE ST., NEW ORLEANS

THE NEW ORLEANS
DEBENTURE REDEMPTION CO.,
OF LOUISIANA, LIMITED.

This Company affords opportunites to the frugal for the investment of their savings, and advantages to the wealthy for the further accumulation of their surplus that are rarely met with, and which deservedly command their attention and consideration.

The volume of business already done, justifies the belief that the system is amply qualified with the requirements of all financial successes—POPULAR FAVOR.

This company issues a contract or certificate of investment—a debenture—for which the investor pays $2.00 as a contribution to the Reserve Fund, and thereafter a monthly instalment of $2.00 during the existence of the contract. These debentures are issued in numerical order, begining with No. 1, and they are retired or paid off in the same order by the expenditure of a fixed percentage of the moneys received from monthly instalments, the company guaranteeing to each debenture that it shall not pay more than seventy-two instalments before reaching redemption. The return to the investor upon the retirement of his debentures is an amount equal to the sum of the monthly instalments paid in, plus 50 per cent. additional. This return is guaranteed, and as the company is a capitalized corporation and not a mutual association, the fulfillment of its contracts is not dependent upon lapses or forfeitures, but positively provided for by its Reserve Fund and Capital Stock.

The business with us is no longer an experiment but a pronounced success, and we will gladly furnish any information desired.

Call at, or address, the general offices of the company, Story Building, 200 Camp street, corner Common street, in the handsome apartments formerly occupied by the Louisiana State National Bank.

The business and finances of the company are supervised and checked by the following directors:

WALTER H. ROGERS,
J. B. SINNOTT,
H. B. BYRNE,
J. L. HERWIG,
W. L. SAXON,
J. P. WILLIAMS,
GORDON S. ORME,
GEO. D. FELDNER.

15221

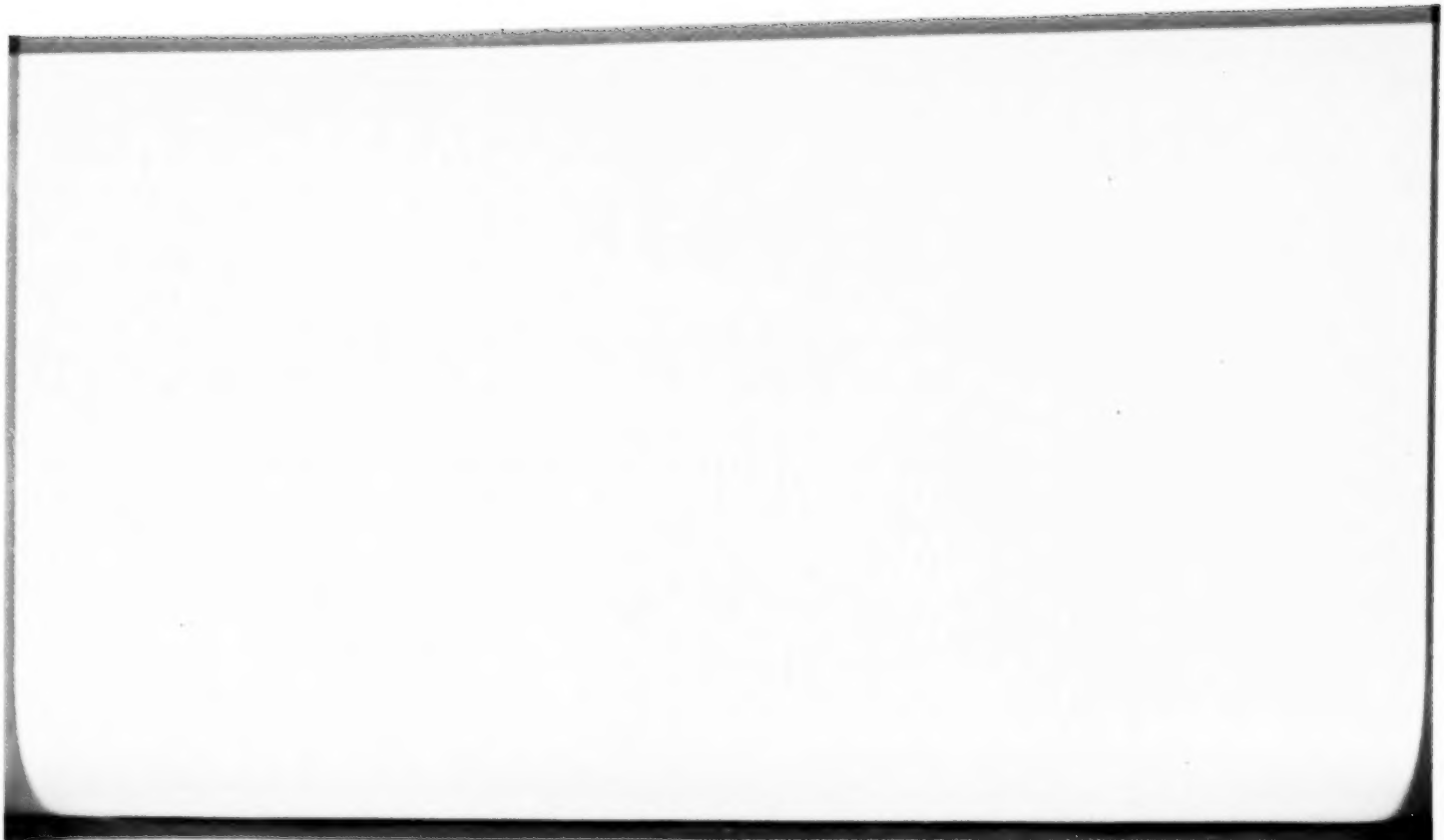
364 b

REDEMPTIONS.

Below we give a list of each month's redemptions to date, followed by an itemized list of this month's redemptions.

The names and addresses of all the holders in the following redemptions can be found on file in our office:

Debentures Nos.	Date Redeemed.	Age.	Amount Paid by Holder.	Amount Received by Holder.	Profit to Holder.
1-76	April 10, 1895	7	1,050 00	1,575 00	525 00
77-188	May 10, 1895	8	1,296 00	1,944 00	648 00
189-251	June 10 1895	9	1,530 00	2,295 00	765 00
252-344	July 10, 1895	10	1,660 00	2,490 00	830 00
345-450	August 10, 1895	11	2,112 00	3,168 00	1,056 00
451-556	September 10, 1895	11	1,980 00	2,970 00	990 00
557 608 609-702	October 10, 1895	12 11	2,280 00	3,420 00	1,140 00
703-866	November 10, 1895	12	2,664 00	3,996 00	1,332 00
867-1000	December 10, 1895	12	2,568 00	3,852 00	1,284 00
1001-1128 1129-1152	January, 10, 1896	13 12	2,790 00	4,185 00	1,395 00
1153-1355	February 10, 1896	13	2,990 00	4,485 00	1,495 00
1356-1524	March 10, 1896	14	3,360 00	5,040 00	1,680 00
1525-1542 1543-1728	April 10, 1896	15 14	3,700 00	5,550 00	1,850 00
1729-1973 1974-2065	May 10, 1896	15 14	4,138 00	6,207 00	2,069 00
2066-2105 2106-2257 2258-2292	June 10, 1896	15 14 13	4,714 00	7,071 00	2,357 00
2293-2415 2416-2506	July 10, 1896	14 13	4,762 00	7,143 00	2,381 00
2507 2532 2533-2744	August 10, 1896	14 13	5,320 00	7,980 00	2,660 00
2745-3006 3007-3063	September 10, 1896	14 13	5,878 00	8,817 00	2,939 00
3064-3430 3431-3433	October 10, 1896	14 13	6,492 00	9,738 00	3,246 00
3434-3648 3649-3765	November 10, 1896	14 13	6,664 00	9,996 00	3,332 00
3766 4035 4036-4038	December 10, 1896	14 13	6,938 00	10,407 00	3,469 00
4039-4344	January 10, 1897	14	7,448 00	11,172 00	3,724 00
4345-4447 4448-4639	February 10, 1897	15 14	7,836 00	11,754 00	3,918 00
4640 4978	March 10. 1897	15	8,400 00	12,600 00	4,200 00
4979 5064 5065-5312	April 10, 1897	16 15	8,956 00	13,434 00	4,478 00
5313-5639	May 10, 1897	16	9,600 00	14,400 00	4,800 00



REDEMPTIONS—Continued.

Debentures Nos.	Date Redeemed	Age.	Amount Paid by Holder.	Amount Received by Holder.	Profit.
5640 5976 5977 6013	June 10, 1897	17 16	10 102 00	15.153 00	5 051 00
6014 6386	July 10. 1897	17	10,676 00	16,014 00	5 338 00
6387-6780	August 10. 1897	18	11,052 00	16,578 00	5,526 00
6781-6924 6925-7149	September 10, 1897	19 18	11,549 00	17,310 00	5 770 00
7150-7550	October 10, 1897	19	11,628 00	17.442 00	5,814 00
7551-7900	November 10, 1897	20	11,640 00	17.460 00	5,820 00
7901-8285	December 10, 1897	20 19	11,562 00	17.343 00	5,781 00
8286-8603 8604 8723	January 10, 1898	20 19	11.792 00	17,688 00	5.896 00
Total Prior to this Date			207,118 00	310,677 00	103,559 00

364c

REDEMPTION No. 35.
FEBRUARY 10, 1898.

No. Debentures	Address of Holder.	No. Instalments Paid.	Amount Paid.	Amount Received.	Profit.
8724-5	Schriever, La	20	$80 00	$120 00	$40 00
8726-8	Schriever, La	20	120 00	180 00	60 00
8729-31	New Orleans, La	Lap'd			
8732-3	New Orleans, La	20	80 00	120 00	40 00
8734-8	New Orleans, La	Lap'd			
8739-43	New Orleans, La	20	200 00	300 00	100 00
8744	New Orleans, La	Lap'd			
8745-9	New Orleans, La	20	200 00	300 00	100 00
8750-4	New Orleans, La	20	200 00	300 00	100 00
8755	Mobile, Ala	20	40 00	60 00	20 00
8756	Mobile, Ala	20	40 00	60 00	20 00
8757-9	New Orleans, La	20	120 00	180 00	60 00
8760-4	New Orleans, La	Lap'd			
8765-7	New Orleans, La	20	120 00	180 00	60 00
8768-72	New Orleans, La	20	200 00	300 00	100 00
8773-4	Orange, Tex	20	80 00	120 00	40 00
8775	Orange, Tex	20	40 00	60 00	20 00
8776	Orange, Tex	20	40 00	60 00	20 00
8777-8	Orange, Tex	20	80 00	120 00	40 00
8779	Mobile, Ala	Lap'd			
8780	Mobile, Ala	20	40 00	60 00	20 00
8781	Mobile, Ala	20	40 00	60 00	20 00
8782-4	New Orleans, La	20	120 00	180 00	60 00
8785-6	New Orleans, La	Lap'd			
8787	New Orleans, La	20	40 00	60 00	20 00
8788-9	New Orleans, La	20	80 00	120 00	40 00
8790-1	New Orleans, La	Lap'd			
8792-4	New Orleans, La	20	120 00	180 00	60 00
8795-9	New Orleans, La	20	200 00	300 00	100 00
8800	New Orleans, La	20	40 00	60 00	20 00
8801	New Orleans, La	20	40 00	60 00	20 00
8802	Mobile, Ala	Lap'd			
8803	Mobile, Ala	20	40 00	60 00	20 00
8804-5	Mobile, Ala	20	80 00	120 00	40 00
8806-30	New Orleans, La	20	1000 00	1500 00	500 00
8831-2	New Orleans, La	20	80 00	120 00	40 00
8833-8	New Orleans, La	20	240 00	360 00	120 00
8839-43	New Orleans, La	20	200 00	300 00	100 00
8844	New Orleans, La	Lap'd			
8845	New Orleans, La	Lap'd			
8846-50	New Orleans, La	20	200 00	300 00	100 00
8851-3	New Orleans, La	20	200 00	300 00	100 00
8856-8	Washington, D. C	Lap'd			
8859-61	New Orleans, La	20	120 00	180 00	60 00
8862-6	New Orleans, La	20	200 00	300 00	100 00
8867-81	New Orleans, La	20	600 00	900 00	300 00
8882-6	New Orleans, La	Lap'd			
8887	Grand Bay	20	40 00	60 00	20 00
8888	Mobile, Ala	20	40 00	60 00	20 00

FEBRUARY 10, 1898.—Continued.

No. Debentures	Address of Holder.	No. Instalments Paid.	Amount Paid.	Amount Received	Profit.
8889	Mobile, Ala	20	$40 00	$60 00	$20 00
8890-1	Mobile, Ala	20	80 00	120 00	40 00
8892-3	Mobile, Ala	Lap'd			
8894	New Orleans, La	20	40 00	60 00	20 00
8895	New Orleans, La	20	40 00	60 00	20 00
8896	New Orleans, La	20	40 00	60 00	20 00
8897	New Orleans, La	20	40 00	60 00	20 00
8898	New Orleans, La	20	40 00	60 00	20 00
8899	New Orleans, La	20	40 00	60 00	20 00
8900	New Orleans, La	20	40 00	60 00	20 00
8901-3	New Orleans, La	20	120 00	180 00	60 00
8904-5	New Orleans, La	20	80 00	120 00	40 00
8906-7	New Orleans, La	20	80 00	120 00	40 00
8908-12	New Orleans, La	20	200 00	300 00	100 00
8913	New Orleans, La	Lap'd			
8914-15	New Orleans, La	20	80 00	120 00	40 00
8916-17	Pensacola	20	80 00	120 00	40 00
8918	Pensacola	20	40 00	60 00	20 00
8919-20	New Orleans, La	20	80 00	120 00	40 00
8921	New Orleans, La	20	40 00	60 00	20 00
8922	New Orleans, La	20	40 00	60 00	20 00
8923	Mobile, Ala	Lap'd			
8924-8	Mobile, Ala	20	200 00	300 00	100 00
8929-32	Pensacola	20	160 00	240 00	80 00
8933-7	New Orleans, La	20	200 00	300 00	100 00
8938-42	New Orleans, La	20	200 00	300 00	100 00
8943-4	New Orleans, La	20	80 00	120 00	40 00
8945-69	New Orleans, La	20	1000 00	1500 00	500 00
8970	New Orleans, La	20	40 00	60 00	20 00
8971-3	New Orleans, La	20	120 00	180 00	60 00
8974-6	New Orleans, La	20	120 00	180 00	60 00
8977-8	New Orleans, La	Lap'd			
8979	New Orleans, La	20	40 00	60 00	20 00
8980-4	New Orleans, La	20	200 00	300 00	100 00
8985	New Orleans, La	Lap'd			
8986-7	Mobile, Ala	20	80 00	120 00	40 00
8988-92	Mobile, Ala	20	200 00	300 00	100 00
8993-7	Mobile, Ala	20	200 00	300 00	100 00
8998-9002	New Orleans, La	20	200 00	300 00	100 00
9003	New Orleans, La	Lap'd			
9004-28	New Orleans, La	20	1000 00	1500 00	500 00
9029-30	New Orleans, La	20	80 00	120 00	40 00
9031-2	New Orleans, La	20	80 00	120 00	40 00
9033-5	New Orleans, La	20	120 00	180 00	60 00
9036	Mobile, Ala	20	40 00	60 00	20 00
9037	New Orleans, La	Lap'd			
9038-47	New Orleans, La	20	400 00	600 00	200 00
9048-52	New Orleans, La	Lap'd			
9053-62	New Orleans, La	Lap'd			
			$11,400 00	$17,100 00	$5,700 00

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Our next Redemption will be on March 10, 1898, commencing with Debenture No. 9063.

For urther information ring up Telephone No. 1472, or ADDRESS US BY MAIL at the correct address of the Company, **200 CAMP STREET.**

State of Louisiana

v.

A. O. Debenture Redemption Company, Limited

P. 4

No. 56658

First District Court
Parish of Orleans

Filed January 31st 1899

(signed) O. J. Tournellon
dy. Clerk

15227

365

JANUARY.

WALTER H. ROGERS, President. W. L. SAXON, Vice-President. J. P. WILLIAMS, Sec'y & Treas.
ROGERS & DODIS, General Attorneys. C. J. SWAN, Ass't Sec'y.

The New Orleans Debenture Redemption Company

Of Louisiana, Limited,

GENERAL OFFICES, 200 CAMP STREET, COR. COMMON,
TELEPHONE 1472
NEW ORLEANS, LA.

Monthly Statement of Redemptions

Incorporated Oct. 1, 1894. Commenced Redemption April 10, 1895.

CAPITAL, $100,000

CAPITAL PAID UP, - -	$50,000.00
RESERVE FUND, - - -	103,408.29
TOTAL, -	$153,408.29

DEPOSITORIES:

Louisiana National Bank.
Whitney National Bank.
New Orleans National Bank.
Hibernia National Bank.

L. GRAHAM & SON, LTD., 507-511 BARONNE ST., NEW ORLEANS

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W. L. SAXON,
J. P. WILLIAMS,
GORDON S. ORME,
GEO. D. FELDNER.

15229

365a

REDEMPTIONS.

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703-866	November 10, 1896	12	2,664 00	3,996 00	1,332 00
867-1000	December 10, 1896	12	2,568 00	3,852 00	1,284 00
1001-1128 1129-1152	January, 10, 1896	13 12	2,790 00	4,185 00	1,395 00
1153-1355	February 10, 1896	13	2,990 00	4,485 00	1,495 00
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1525-1542 1543-1728	April 10, 1896	15 14	3,700 00	5,550 00	1,850 00
1729-1973 1974-2065	May 10, 1896	15 14	4,138 00	6,207 00	2,069 00
2066-2105 2106-2257 2258-2292	June 10, 1896	15 14 13	4,714 00	7,071 00	2,357 00
2293-2415 2416-2606	July 10, 1896	14 13	4,762 00	7,143 00	2,381 00
2507 2532 2533 2744	August 10, 1896	14 13	5,320 00	7,980 00	2 660 00
2745-3006 3007-3063	September 10, 1896	14 13	5,878 00	8,817 00	2,939 00
3064-3430 3431-3433	October 10, 1896	14 13	6,492 00	9,738 00	3,246 00
3434-3648 3649-3765	November 10, 1896	14 13	6,664 00	9.996 00	3,332 00
3766 4035 4036 4038	December 10, 1896	14 13	6,938 00	10,407 00	3,469 00
4039-4344	January 10, 1897	14	7,448 00	11,172 00	3,724 00
4345-4447 4448-4639	February 10, 1897	15 14	7,836 00	11,754 00	3,918 00
4640-4978	March 10, 1897	15	8,400 00	12,600 00	4,200 00
4979 5064 5065-5312	April 10, 1897	16 15	8,956 00	13,434 00	4,478 00
5313-5639	May 10, 1897	16	9,600 00	14,400 00	4,800 00

REDEMPTIONS—Continued.

Debentures Nos.	Date Redeemed	Age	Amount Paid by Holder.	Amount Received by Holder.	Profit.
5640 5976 5977 6013	June 10, 1897	17 16	10,102 00	15,153 00	5,051 00
6014 6386	July 10, 1897	17	10,676 00	16,014 00	5,338 00
6387-6780	August 10, 1897	18	11,052 00	16,578 00	5,526 00
6781 6924 6925 7149	September 10, 1897	19 18	11,549 00	17,310 00	5,770 00
7150 7550	October 10, 1897	19	11,628 00	17,442 00	5,814 00
7551 7900	November 10, 1897	20	11,640 00	17,460 00	5,820 00
7901 8285	December 10, 1897	20 19	11,562 00	17,343 00	5,781 00
Total Prior to this Date			195,326 00	292,989 00	97,663 00

REDEMPTION No. 34.

JANUARY 10, 1898.

No. Debentures	Address of Holder.	No. Instalments Paid.	Amount Paid.	Amount Received.	Profit.
8286-90	New Orleans, La	20	$200 00	$300 00	$100 00
8291-5	New Orleans, La	20	200 00	300 00	100 00
8296-630	New Orleans, La	20	200 00	300 00	100 00
8301-2	New Orleans, La	20	80 00	120 00	40 00
8303	New Orleans, La	20	40 00	60 00	20 00
8304	New Orleans, La	20	40 00	60 00	20 00
8305-9	New Orleans, La	20	200 00	300 00	100 00
8310-12	New Orleans, La	Lap'd			
8313	New Orleans, La	20	40 00	60 00	20 00
8314-16	New Orleans, La	20	120 00	180 00	60 00
8317-19	New Orleans, La	20	120 00	180 00	60 00
8320-4	New Orleans, La	Lap'd			
8325	New Orleans, La	20	40 00	60 00	20 00
8326	New Orleans, La	20	40 00	60 00	20 00
8327-9	New Orleans, La	Lap'd			
8330-34	New Orleans, La	Lap'd			
8335	Mobile, Ala	Lap'd			
8336-8	Mobile, Ala	Lap'd			
8339-41	New Orleans, La	20	120 00	180 00	60 00
8342-6	New Orleans, La	20	200 00	300 00	100 00
8347	New Orleans, La	20	40 00	60 00	20 00
8348	New Orleans, La	20	40 00	60 00	20 00
8349	Vicksburg, Miss	20	40 00	60 00	20 00
8350	Vicksburg, Miss	Lap'd			
8351-2	Mobile, Ala	20	80 00	120 00	40 00
8353-62	New Orleans, La	20	400 00	600 00	200 00
8363-4	New Orleans, La	20	80 00	120 00	40 00
8365-6	New Orleans, La	Lap'd			
8367-71	New Orleans, La	20	200 00	300 00	100 00
8372-3	New Orleans, La	Lap'd			
8374-5	Mobile, Ala	20	80 00	120 00	40 00
8376	Mobile, Ala	20	40 00	60 00	20 00
8377	New Orleans, La	20	40 00	60 00	20 00
8378-9	Vicksburg, Miss	Lap'd			
8380-1	New Orleans, La	20	80 00	120 00	40 00
8382-3	New Orleans, La	20	80 00	120 00	40 00
8384-8	New Orleans, La	20	200 00	300 00	100 00
8389-93	New Orleans, La	20	200 00	300 00	100 00
8394	New Orleans, La	20	40 00	60 00	20 00
8395-96	New Orleans, La	20	80 00	120 00	40 00
8397-9	Mobile, Ala	Lap'd			
8400-4	Mobile, Ala	Lap'd			
8405	Mobile, Ala	20	40 00	60 00	20 00
8406-10	Mobile, Ala	20	200 00	300 00	100 00
8411-20	Mobile, Ala	20	400 00	600 00	200 00
8421-2	New Orleans, La	Lap'd			
8423-32	New Orleans, La	Lap'd			
8433	Bay St. Louis, Miss	20	40 00	60 00	20 00
8434-5	New Orleans, La	20	80 00	120 00	40 00

JANUARY 10, 1898.—[Continued.]

No. Debentures	Address of Holder.	No. Instalments Paid.	Amount Paid.	Amount Received	Profit.
8436-7	New Orleans, La	20	$80 00	$120 00	$40 00
8438-9	Mobile, Ala	20	80 00	120 00	40 00
8440-1	Mobile, Ala	20	80 00	120 00	40 00
8442-3	New Orleans, La	20	80 00	120 00	40 00
8444	New Orleans, La	20	40 00	60 00	20 00
8445	New Orleans, La	Lap'd			
8446	Mobile, Ala	20	40 00	60 00	20 00
8447	New Orleans, La	20	40 00	60 00	20 00
8448-50	New Orleans, La	20	120 00	180 00	60 00
8451-2	New Orleans, La	20	80 00	120 00	40 00
8453-4	New Orleans, La	Lap'd			
8455-6	New Orleans, La	Lap'd			
8457	New Orleans, La	20	40 00	60 00	20 00
8458-60	New Orleans, La	20	120 00	180 00	60 00
8461-2	Vicksburg, Miss	Lap'd			
8463-4	Mobile, Ala	20	80 00	120 00	40 00
8465	Mobile, Ala	20	40 00	60 00	20 00
8466-7	New Orleans, La	20	80 00	120 00	40 00
8468-70	New Orleans, La	20	120 00	180 00	60 00
8471-5	New Orleans, La	20	200 00	300 00	100 00
8476	New Orleans, La	20	40 00	60 00	20 00
8477	New Orleans, La	20	40 00	60 00	20 00
8478-82	New Orleans, La	20	200 00	300 00	100 00
8463-7	St. Bernard, La	Lap'd			
8488-92	New Orleans, La	20	200 00	300 00	100 00
8493-8512	New Orleans, La	Lap'd			
8513-17	New Orleans, La	20	200 00	300 00	100 00
8518-22	New Orleans, La	20	200 00	300 00	100 00
8523-7	New Orleans, La	20	200 00	300 00	100 00
8528	Mobile, Ala	Lap'd			
8529-31	Vicksburg, Miss	20	120 00	180 00	60 00
8532-42	New Orleans, La	20	440 00	660 00	220 00
8543-7	New Orleans, La	Lap'd			
8548	New Orleans, La	20	40 00	60 00	20 00
8549-51	New Orleans, La	20	120 00	160 00	60 00
8552-4	New Orleans, La	20	120 00	180 00	60 00
8555-7	New Orleans, La	20	120 00	180 00	60 00
8558-9	Vicksburg, Miss	20	80 00	120 00	40 00
8560	New Orleans, La	Lap'd			
8561-2	New Orleans, La	20	80 00	120 00	40 00
8563	New Orleans, La	Lap'd			
8564-8	New Orleans, La	Lap'd			
8569	New Orleans, La	20	40 00	60 00	20 00
8570	New Orleans, La	20	40 00	60 00	20 00
8571	Mobile, Ala	Lap'd			
8572-6	New Orleans, La	20	200 00	300 00	100 00
8577-81	Charleston, Miss	20	200 00	300 00	100 00
8582-86	New Orleans, La	20	200 00	300 00	100 00
8587-91	New Orleans, La	20	200 00	300 00	100 00
8592	New Orleans, La	20	40 00	60 00	20 00

365c

JANUARY 10, 1898.—[Continued.]

No. Debentures	Address of Holder.	No. Instalments Paid.	Amount Paid.	Amount Received.	Profit.
8593	Mobile, Ala	20	$40 00	$60 00	$20 00
8594-5	Mobile, Ala	Lap'd			
8596-7	Mobile, Ala	Lap'd			
8598-8602	New Orleans, La	Lap'd			
8603	New Orleans, La	Lap'd			
8604	New Orleans, La	19	38 00	57 00	19 00
8605	New Orleans, La	19	38 00	57 00	19 00
8606	New Orleans, La	19	38 00	57 00	19 00
8607	New Orleans, La	Lap'd			
8608	New Orleans, La	19	38 00	57 00	19 00
8609	New Orleans, La	Lap'd			
8610	New Orleans, La	Lap'd			
8611	New Orleans, La	Lap'd			
8612	New Orleans, La	19	38 00	57 00	19 00
8613	New Orleans, La	19	38 00	57 00	19 00
8614	New Orleans, La	19	38 00	57 00	19 00
8615	New Orleans, La	19	38 00	57 00	19 00
8616-25	New Orleans, La	19	380 00	570 00	190 00
8626	New Orleans, La	19	38 00	57 00	19 00
8627-29	New Orleans, La	19	114 00	171 00	57 00
8630	New Orleans, La	19	38 00	57 00	19 00
8631-4	New Orleans, La	19	152 00	226 00	76 00
8635-9	New Orleans, La	Lap'd			
8640-4	New Orleans, La	19	190 00	285 00	95 00
8645-9	New Orleans, La	Lap'd			
8650-4	New Orleans, La	Lap'd			
8655	New Orleans, La	19	38 00	57 00	19 00
8656	New Orleans, La	19	38 00	57 00	19 00
8657-8	New Orleans, La	19	76 00	114 00	38 00
8659-76	New Orleans, La	19	760 00	1140 00	380 00
8679-80	New Orleans, La	19	76 00	114 00	38 00
8681-2	New Orleans, La	19	76 00	114 00	38 00
8683-92	New Orleans, La	Lap'd			
8693	New Orleans, La	19	38 00	57 00	19 00
8694	New Orleans, La	19	38 00	57 00	19 00
8695-6	New Orleans, La	19	76 00	114 00	38 00
8697	New Orleans, La	Lap'd			
8698-99	New Orleans, La	Lap'd			
8701-1	New Orleans, La	19	76 00	114 00	38 00
8702-3	New Orleans, La	19	76 00	114 00	38 00
8704-5	Vicksburg, Miss	19	76 00	114 00	38 00
8706-7	Vicksburg, Miss	Lap'd			
8708-10	New Orleans, La	19	114 00	171 00	57 00
8711-12	Mobile, Ala	19	76 00	114 00	38 00
8713-14	Mobile, Ala	19	76 00	114 00	38 00
8715-16	Mobile, Ala	Lap'd			
8717-20	Mobile, Ala	19	152 00	228 00	76 00
8721-3	Schriever, La	19	114 00	171 00	57 00
			11792 00	17688 00	5896 00

15234

Our next Redemption will be on February 10, 1898, commencing with Debenture No. 8724.

A. O. Debenture Redemption Co Ltd. For further information ring up Telephone No. 1472, or ADDRESS US BY MAIL at the correct address of the Company, **200 CAMP STREET.**

P. S

No. 56658
Civil District Court
Parish of Orleans
Filed January 31st 1899.
(signed) P. J. Fournillon
Dy. Clerk.

15235

366 P 6 3

GEO. A. VILLERE, President. DR. A. S. WAISS, Vice-President. J. P. WILLIAMS, Sec'ry. & Treasurer.
WALTER H. ROGERS, General Attorney.

THE NEW ORLEANS
Debenture Redemption Company
OF LOUISIANA, LIMITED.

General Offices, 627 Gravier Street.

TELEPHONE 1472. NEW ORLEANS, LA.

LIST OF STOCKHOLDERS:

GEO. A. VILLERE	Vice Pres. of V. Schwan & Co	218 S. Peters Street.
P. F. HERWIG	Capitalist	Hennen Building.
WALTER H. ROGERS	Ex. Attorney General of Louisiana	Hennen Building.
J. P. WILLIAMS	Secretary and Treasurer	Office.
J. B. SINNOTT	Pres.&G.M. Smith Bros. & Co. Ltd	510 Poydras Street.
GUSTAVE KOHN	Capitalist	136 Carondelet Street.
GORDON S. ORME	Wholesale Rice	227 N. Peters Street.
GEO. L. CRANDALL	General Insurance	134 Carondelet Street.
HOWARD J. LYONS,	General Freight Agent	So. Pacific Railroad.
W. L. SAXON	Of Smith Bros. & Co	510 Poydras Street, N. O
LEWIS S. GRAHAM	L. Graham & Son, Ltd	207 Baronne Street.
PAT. J. LYONS	Of Michel & Lyons	Mobile, Ala.
J. T. MORGAN	Pres. Dora Coal Co	Birmingham, Ala.
H. B. BYRNE	Agt. of Cen. Georgia R. R. Co	301 Camp Street.
A. S. WAISS	Physician	Medical Building.
O. M. WHITE	Sec. & Treas. of V. Schwan & Co	218 S. Peters Street.
REV. J. W. MOORE	Minister	1728 Valence Street.
J. W. FAIRFAX	Broker	303 Camp Street.
GEO. D. FELDNER	Drugs	3206 Magazine Street.
ROBT. S. MOORE	Of Jno. P. Moore & Son	Cotton Press.
ESTATE A. F. WAISS		New Orleans, La.
W. D. BETTIS	Gen. Insurance	Orange, Texas.
F. CASPAR	Gen. Merchandise	1800 Carondelet Street.
THEO. D. WAISS	Agent	627 Gravier Street.
ROBT. WERNER	Manufacturer	124 Chartres Street.
S. M. FUCICH	Wholesale Oysters	510 Dumaine Street
JACOB YOUNG	Jeweler	2124 Magazine Stree
P. J. MCMANUS	Agent	627 Gravier Street.

Incorporated October 1st., 1894.

Commenced Redemption April 10th, 1895.

Business Written to Date, - - - - - - - - $4,964,400

Amount of Business Retired to date by Redemption, 1,379,376

MONTHLY STATEMENT
OF REDEMPTIONS.

This company commenced business on October 1st, 1894, and it success, as evidenced by the amount of business written in so short a time is something unparalelled in the history of financial institutions; and it is with a feeling of just pride that the management submits this showing of the large degree and amount of confidence displayed by the public in the system of "THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY" and as every dollar of old business renders more certainty to the later investors it is not unreasonable or presuming, to promise investors a better showing each month in the Company's history.

Below we give a list of those debentures which have been redeemed, together with the names of parties holding same:

REDEMPTION No. 1.
APRIL 10, 1895.

NAME OF HOLDER.	ADDRESS.	Number of Months Held	Amount Paid by Holder.	Amount Rec'd By Holder.	PROFIT	
					Amt.	Per Ct.
Mrs. I. M. Caspar	194 Camp, N. O.	7	140 00	210 00	70 00	50
Emy Gross	194 Camp. N. O.	7	14 00	21 00	7 00	50
L. H. Dorman	100 Canal, N. O.	7	42 00	63 00	21 00	50
Ormar H. Bartlette	614 Canal, N. O.	7	70 00	105 00	35 00	50
Theo. McGinnis	614 Canal, N. O.	7	70 00	105 00	35 00	50
W. H. More	9 Decatur, N. O.	7	140 00	210 00	70 00	50
Ed. Weinberger	Camp and Canal, N. O.	7	14 00	21 00	7 00	50
Arou Picard	1111 St. Charles, N. O.	7	28 00	42 00	14 00	50
O. M. George	9 Decatur, N. O.	7	70 00	105 00	35 00	50
Thos. Godwin	30 Union, N. O.	7	70 00	105 00	35 00	50
G. L. Crandall	12 Carondelet, N. O.	7	28 00	42 00	14 00	50
Frank L. Simon	944 Camp, N. O.	7	70 00	105 00	35 00	50
Mrs. C. O. Satrang	84 Milan, N. O.	7	14 00	21 00	7 00	50
Mattie McDowell	12 Carondelet, N. O.	7	14 00	21 00	7 00	50
Jno. L. Lavelle	526 Tchoupitoulas, N.O	7	42 00	63 00	21 00	50
Robert Wall	45 Camp, N. O.	7	14 00	21 00	7 00	50
W. J. Taylor.	Montgomery, Ala.	7	140 00	210 00	70 00	50
T. F. Steele	Birmingham, Ala.	7	70 00	105 00	35 00	50
			1050 00	1575 00	525 00	50%

15237

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REDEMPTION Nc. 2.

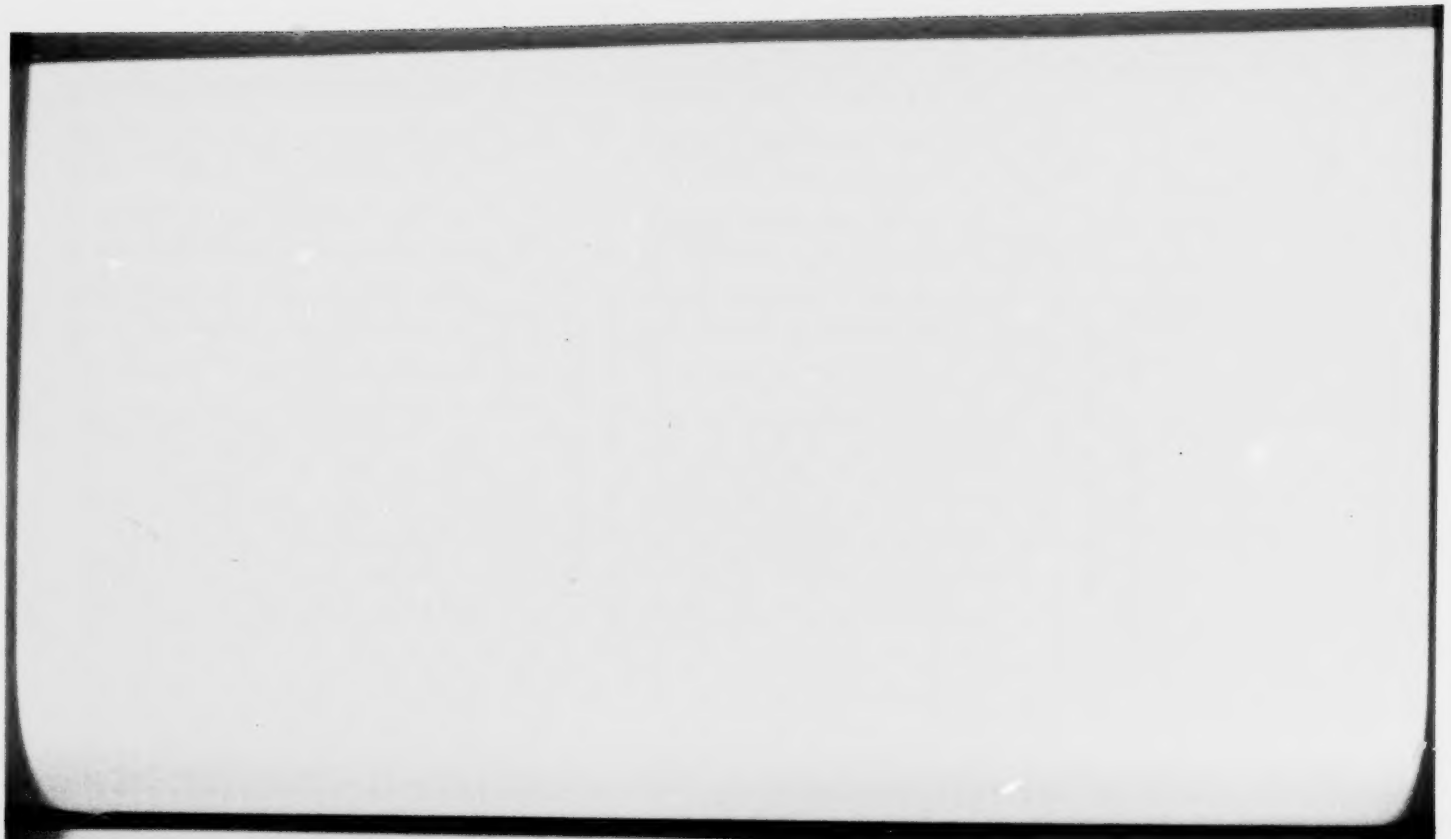
MAY 10, 1895.

NAME OF HOLDER.	ADDRESS.	No. of Months in force	Amount Paid by Holder.	Amount Rec'd by Holder.	PROFIT	
					Amt.	Per Ct.
Franck M. Lamar	Selma, Ala	8	80 00	120 00	40 00	50
Chas. Rosen	5 Commercial Pl., N O.	8	16 00	24 00	8 00	50
Hunter C. Leake	Cotton Ex. Bldg, N O.	8	80 00	120 00	40 00	50
Elizabeth G. Rogers	Canal street, N. O.	8	80 00	120 00	40 00	50
Mathew Brewster	13 University Pl, N. O.	8	80 00	120 00	40 00	50
B. J. Martin	702 Camp, N. O.	8	32 00	48 00	16 00	50
Wm. O. Perry	1001 Canal, N. O	8	80 00	120 00	40 00	50
J. L. Aron	227 Canal, N. O.	8	32 00	48 00	16 00	50
Coiron & Burkenroad	39 Magazine, N. O	8	16 00	24 00	8 00	50
Julius Winter	1001 Canal, N. O	8	80 00	120 00	40 00	50
S. L. Kohn	San Francisco, Cal	8	400 00	600 00	200 00	50
H. D. Higinbotham	14 Commercial Pl., N O.	8	32 00	48 00	16 00	50
Elise M. Gagne	Brainard, N. O.	8	16 00	24 00	8 00	50
Dorothy Gagne	Brainard, N. O.	8	16 00	24 00	8 00	50
Theo. S. Jensen	41 N. Peters, N. O.	8	80 00	120 00	40 00	50
W. H. Milholland	188 Canal, N. O.	8	80 00	120 00	40 00	50
Albert de Ben	195 Royal, N. O.	8	16 00	24 00	8 00	50
H. C. Wildesen	248 Camp, N. O	8	80 00	120 00	40 00	50
			1296 00	1944 00	648 00	50%

REDEMPTION No. 3.

JUNE 10, 1895.

NAME OF HOLDER.	ADDRESS.	No. of Months in force	Amount Paid by Holder.	Amount Rec'd by Holder.	PROFIT	
					Amt	Per Ct.
Edward Hesselberg	289 St. Charles, N. O.	9	54 00	81 00	27 00	50
Mrs. J. K. Gutheim	1509 Prytania, N. O.	9	54 00	81 00	27 00	50
L. Geo. Wiltz	285 Philip, N. O.	9	36 00	54 00	18 00	50
Dr. H. E. Belden	409 St. Charles, N. O.	9	180 00	270 00	90 00	50
M. Goodman, Agent	935 Canal, N. O.	9	54 00	81 00	27 00	50
Isaac H. Cohen	307 E. 53d, N. Y.	9	90 00	135 00	45 00	50
Dr. E. Jowers	Med. Building, N. O.	9	180 00	270 00	90 00	50
J. T. Morgan	Birmingham, Ala.	9	90 00	135 00	45 00	50
Miss Myrtle Gehl	Bordeaux, N. O.	9	36 00	54 00	18 00	50
Mrs. V. Vincent	445 Burgundy, N. O.	9	18 00	27 00	9 00	50
Moses Cohen	Buffalo, N. Y.	9	18 00	27 00	9 00	50
Ovid Cohen	Erie, Penn.	9	36 00	54 00	18 00	50
James F. Murdy	100 Canal, N. O.	9	180 00	270 00	90 00	50
Alex. Harris, Jr	Preston, Stauffer, N. O.	9	36 00	54 00	18 00	50
O. M. George	9 Decatur, N. O.	9	90 00	135 00	45 00	50
Miss Josephine Simon	945 Camp, N. O.	9	90 00	135 00	45 00	50
Mrs. M. DiTrapani	188 Elysian Field, N. O.	9	90 00	135 00	45 00	50
Miss Catherine Simon	944 Camp, N. O.	9	90 00	135 00	45 00	50
Mrs. R. Gottschalk	411 Bourbon, N. O.	9	18 00	27 00	9 00	50
J. M. Wenck	21 Camp, N. O.	9	36 00	54 00	18 00	50
Joseph Meyers	21 Camp, N. O.	9	54 00	81 00	27 00	50
			1530 00	2295 00	765 00	50%



REDEMPTION No. 4.

JULY 10, 1895.

NAME OF HOLDER.	ADDRESS.	No. of Months in force	Amount Paid by Holder.	Amount Rec'd By Holder.	PROFIT	
					Amt.	Per Ct.
Jos. Meyers	21 Camp, N. O	10	40 00	60 00	20 00	50
Rosamond B. Mead	525 Royal, N. O	10	20 00	30 00	10 00	50
P. M. Westfeldt	P. O. Box 610, N. O	10	100 00	150 00	50 00	50
S. F. Marcuse	P. O. Box 567, N. O	10	100 00	150 00	50 00	50
Mrs. J. M. Daffron	113 St. Charles, N. O	10	60 00	90 00	30 00	50
Dr. R. A. Murphy	178 Canal, N. O	10	100 00	150 00	50 00	50
L. L. Stern	59 Carondelet, N. O	10	100 00	150 00	50 00	50
Miss Mamie Roos	Hernsheim Bros., N. O.	10	20 00	30 00	10 00	50
C. W. Taylor	Mobile, Ala	10	100 00	150 00	50 00	50
R. F. Monnier	117 Decatur, N. O	10	20 00	30 00	10 00	50
Miss L. F. Lacoste	117 Decatur, N. O	10	20 00	30 00	10 00	50
Mrs. B. Lacoste	117 Decatur, N. O	10	20 00	30 00	10 00	50
P. V. Lacoste	117 Decatur, N. O	10	20 00	30 00	10 00	50
P. R. Manzoni	107 Decatur, N. O	10	20 00	30 00	10 00	50
Dr. H. E. Belden	409 St. Charles, N. O	10	300 00	450 00	150 00	50
Jos. Duquesne	101 Dumaine, N. O	10	100 00	150 00	50 00	50
Dr. J. W. Belden	132 Canal, N. O	10	200 00	300 00	100 00	50
Mrs. Sara Duquesne	101 Dumaine, N. O	10	40 00	60 00	20 00	50
Dr. E. Jowers	Med. Building, N. O	10	280 00	420 00	140 00	50
			1660 00	2490 00	830 00	50%

REDEMPTION No. 5

AUGUST 10, 1895.

NAME OF HOLDER.	ADDRESS.	No. of Months in force	Amount Paid by Holder.	Amount Rec'd by Holder.	PROFIT	
					Amt.	Per Ct.
Dr. E. Jowers	Medical B'l'd'g., N. O.	11	22 00	33 00	11 00	50
Isaac Hernsheim	Julia & Magazine, N. O.	11	550 00	825 00	275 00	50
Jos. Barangue	3 Ursulines, N. O	11	110 00	165 00	55 00	50
Hy. Duquesne	101 Dumaine, N. O	11	44 00	66 00	22 00	50
Olga Laroussini	204 Esplanade, N O	11	44 00	66 00	22 00	50
Alice Laroussini	204 Esplanade, N. O	11	44 00	66 00	22 00	50
Chas. E. Rice	67 Carondelet, N. O	11	110 00	165 00	55 00	50
A. Dagoret	95 Bourbon, N. O	11	110 00	165 00	55 00	50
E d. Gueringer	139 Gravier, N. O	11	110 00	165 00	55 00	50
V. LeBeau	51 N. Peters, N. O	11	110 00	165 00	55 00	50
Jno. Miller	707 Common, N. O	11	22 00	33 00	11 00	50
J. A. deBen	195 Royal, N. O	11	22 00	33 00	11 00	50
R. W. Lightburn, Jr	145 Common, N. O	11	44 00	66 00	22 00	50
D. M. Rea	45 Camp, N. O	11	44 00	66 00	22 00	50
Sidney Weil	415 S. Rampart, N. O	11	110 00	165 00	55 00	50
F. Daigre	1007½ Magazine, N. O.	11	22 00	33 00	11 00	50
O. M. Drews	Bienville st., N. O	11	44 00	66 00	22 00	50
Thos. Dopf	2319 St. Thomas, N. O.	11	22 00	33 00	11 00	50
J. Kirschenheuter	St. Louis R. Mill, N. O.	11	44 00	66 00	22 00	50
Wm. Hoelzel	47 Elmira, N. O	11	66 00	99 00	33 00	50
Julius Cahn	St. Louis R Mill, N. O.	11	110 00	165 00	55 00	50
Mrs. C. Schillang	114 Peniston, N. O	11	44 00	66 00	22 00	50
H. L. Dufour	5 Commercial, N. O	11	110 00	165 00	55 00	50
M. B. DePass	36 Carondelet, N. O	11	110 00	165 00	55 00	50
C. E. Dameron	640 Gravier, N. O	11	44 00	66 00	22 00	50
			2112 00	3168 00	1056 00	50%

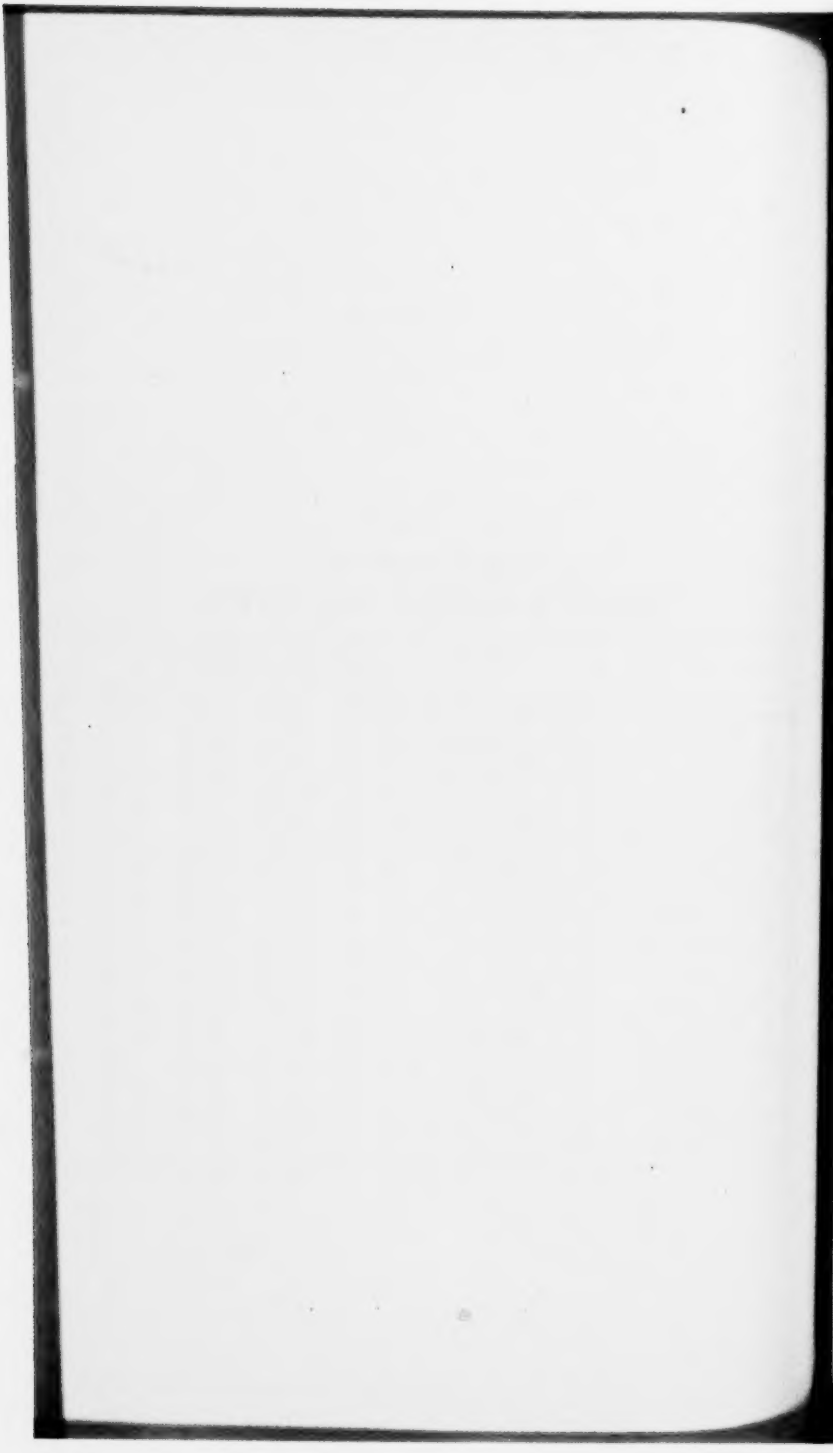
15239

3664

REDEMPTION No

SEPTEMBER 10, 1895.

NAME OF HOLDER.	ADDRESS.	No. of Bonds Held	Amount Paid by Holder.	Amount Rec'd by Holder.	PROFIT	
					Amt	Per Ct.
Edward Dore	Marengo & Tch., N. O.	11	44 00	66 00	22 00	50
F. A. Moths	220 S. Peters, N. O	11	22 00	33 00	11 00	50
R. W. Colomb	43 Equitable Bld, N. O.	11	66 00	99 00	33 00	50
J. Steckler	102 Gravier, N. O	11	22 00	33 00	11 00	50
L. Goldstein	40 St. Charles, N. O	11	110 00	165 00	55 00	50
A. C. Becker	79½ Palmyra, N. O	11	110 00	165 00	55 00	50
Jeff. Levie	Hospital st., N. O	11	44 00	66 00	22 00	50
Fred. H. Wicker, Jr	3119 Coliseum, N. O	11	22 00	33 00	11 00	50
Wm. J. Oberle	P. O. Box 1174, N. O	11	110 00	165 00	55 00	50
A. W. Simpson	51 Baronne, N. O	11	110 00	165 00	55 00	50
W. J. Masson	612 Common, N. O	11	44 00	66 00	22 00	50
E. L. J. Bernados	256 St. Claude, N. O	11	110 00	165 00	55 00	50
Rafael Jene	3 Ursulines, N. O	11	110 00	165 00	55 00	50
Jacob Koerber, Jr	281 S. Rampart, N. O	11	22 00	33 00	11 00	50
Wm. H. Heyl	44 N. Rampart, N. O	11	110 00	165 00	55 00	50
P. F. Pescud	188 Gravier, N. O	11	110 00	165 00	55 00	50
Mrs. E. D. Disque	New York City	11	220 00	330 00	110 00	50
L. P. Bouby	540 Bourbon, N. O	11	66 00	99 00	33 00	50
Frank Querens	P. O. Box 905, N. O	11	220 00	330 00	110 00	50
Miss Katie Stoll	Gretna	11	22 00	33 00	11 00	50
Mrs. A. Schaefers	852 Magazine, N. O	11	22 00	33 00	11 00	50
Geo. H. Benton	102 Canal, N. O	11	22 00	33 00	11 00	50
Bernard Abadie	1 Ursulines, N. O	11	110 00	165 00	55 00	50
Jacq. Bordeaux	Clay and Aubry, N. O.	11	110 00	165 00	55 00	50
Mrs. W. J. Oberle	687 Laurel, N. O	11	22 00	33 00	11 00	50
			1980 00	2970 00	990 00	50%



REDEMPTION No. 7.

OCTOBER 10, 1895.

NAME OF HOLDER.	ADDRESS.	No. of Months in force	Amount Paid by Holder.	Amount Rec'd by Holder.	PROFIT	
					Amt	Per Ct.
Mrs. W. J. Oberle	687 Laurel, N. O	12	96 00	141 00	48 00	50
Geo. N. Mouette, Jr	801 Canal, N. O	12	24 00	36 00	12 00	50
A. J. Claverie	P. O Box 387, N. O	12	120 00	180 00	60 00	50
J. M. Dowling	329 Second, N O	12	24 00	36 00	12 00	50
Jno. A. Harris	R'm 4 Cotton Ex. N. O.	12	24 00	36 00	12 00	50
A. Goldman	Baton Rouge, La	12	120 00	180 00	60 00	50
I. E Blouin	Baton Rouge, La	12	48 00	72 00	24 00	50
T. J. Bartlette	Cr B. J. Wolf&S'n, N. O	12	48 00	72 00	24 00	50
Gab. Dulac	Girod&Carondelet, N. O	12	120 00	180 00	60 00	50
Jonas Martin	St. Louis & Exc., N. O.	12	120 00	180 00	60 00	50
J. M. Estrade	162 Carondelet, N. O	12	24 00	36 00	12 00	50
F. E. Goldthwaite	Royal & Dumaine, N. O	12	48 00	72 00	24 00	50
D. Liberman	173 Canal, N O	12	120 00	180 00	60 00	50
Mrs. S. Wetzel	838 Camp, N. O	12	24 00	36 00	12 00	50
Miss A. Heyl	196 Villere, N O	11	22 00	33 00	11 00	50
E. G. Grube	196 Villere, N. O	11	22 00	33 00	11 00	50
Rev. J. S. Moore	273 Valence, N. O	11	88 00	132 00	44 00	50
A. P. J. Segasale	36 Magazine, N. O	11	66 00	99 00	33 00	50
F. W. Armstrong	5 Carondelet, N. O	11	22 00	33 00	11 00	50
Miss J. M. Baud	196 Frenchmen, N. O	11	22 00	33 00	11 00	50
C. A. Baud	196 Frenchmen, N. O	11	22 00	33 00	11 00	50
A. J. Chapman	Jackson, Miss	11	110 00	165 00	55 00	50
W. P. Bergen	N. O. Brew Ass'n N. O.	11	110 00	165 00	55 00	50
Lazard Blum	Baton Rouge, La	11	66 00	99 00	33 00	50
J. C. Camors	Baton Rouge, La	11	66 00	99 00	33 00	50
A. B. Mascaro	1015 Rampart, N. O	11	22 00	33 00	11 00	50
H. F. Brunot	Baton Rouge, La	11	22 00	33 00	11 00	50
Mary A. Morris	338 Canal, N. O	11	22 00	33 00	11 00	50
R. Viosca	38 Esplanade, N. O	11	22 00	33 00	11 00	50
L. Diamond	Baton Rouge, La	11	22 00	33 00	11 00	50
Mrs. C. E. Felps	Baton Rouge, La	11	22 00	33 00	11 00	50
F. J. Sarrante	Baton Rouge, La	11	22 00	33 00	11 00	50
Louis Mayer	Baton Rouge, La	11	44 00	66 00	22 00	50
J. K. Roumain	Baton Rouge, La	11	22 00	33 00	11 00	50
J. T. Young	Baton Rouge, La	11	22 00	33 00	11 00	50
Hy. H. Miller	Baton Rouge, La	11	66 00	99 00	33 00	50
A. Frank, Sr	Baton Rouge, La	11	44 00	66 00	22 00	50
Andrew Querbes	Shreveport, La	11	44 00	66 00	22 00	50
A. L. Slaughter	Shreveport, La	11	44 00	66 00	22 00	50
Leon Benedittto	Canal&Carondelet, N. O	11	110 00	165 00	55 00	50
Rafe Mayer	Baton Rouge, La	11	22 00	33 00	11 00	50
N. J. Gass	Baton Rouge, La	11	88 00	132 00	44 00	50
W. H. Bynum	Baton Rouge, La	11	44 00	66 00	22 00	50
			2280 00	3420 00	1140 00	50%

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REDEMPTION No. 8.
NOVEMBER 10, 1895.

NAME OF HOLDER.	ADDRESS.	No. of Months to Run	Amount Paid by Holder.	Amount Rec'd by Holder.	PROFIT	
					Amt.	Per Ct.
J. C. Camors	Baton Rouge, La	12	120 00	180 00	60 00	50
Thos. Krementz	Baton Rouge, La	12	24 00	36 00	12 00	50
John H. Miller	Baton Rouge, La	12	48 00	72 00	24 00	50
C. F. Sarver	Baton Rouge, La	12	24 00	36 00	12 00	50
John Fischer	70 Camp, N. O	12	48 00	72 00	24 00	50
M. Viet	120 Dauphin, N. O	12	120 00	180 00	60 00	50
M. Heisemann	Y. M. G. Club, N. O	12	24 00	36 00	12 00	50
Mrs. M. Lauer	2715 Annunciation, N O	12	72 00	108 00	36 00	50
L. R. Theard	Rampart & St. Ann, N. O	12	72 00	108 00	36 00	50
C. C. Laughman	Baton Rouge, La	12	48 00	72 00	24 00	50
F. Ratcliff	Zachary, La	12	24 00	36 00	12 00	50
C. J. Bloch	Zachary, La	12	48 00	72 00	24 00	50
Florence M. Funke	Baton Rouge, La	12	24 00	36 00	12 00	50
John Maguire	Baton Rouge, La	12	24 00	36 00	12 00	50
Eugene Cazedussus	Baton Rouge, La	12	24 00	36 00	12 00	50
J. S Ham	Baton Rouge, La	12	48 00	72 00	24 00	50
M. Goodman, Agent	935 Canal, N. O	12	120 00	180 00	60 00	50
B. J. Walle	55 Carondelet, N. O	12	120 00	180 00	60 00	50
Geo. A. Evans	Baton Rouge, La	12	24 00	36 00	12 00	50
B. Strauss	New York, N. Y	12	240 00	360 00	120 00	50
W. S. Roberts	Baton Rouge, La	12	48 00	72 00	24 00	50
B. D. Vittur	23 Com'cl. Place, N. O.	12	120 00	180 00	60 00	50
Fanny Waiss	1101 St. Charles, N. O.	12	48 00	72 00	24 00	50
Nellie M. William	5429 Prytania, N. O	12	48 00	72 00	24 00	50
D. B. William	5429 Prytania, N. O	12	72 00	108 00	36 00	50
Octave Bechac	Conti & Bourbon, N. O.	12	72 00	108 00	36 00	50
Mrs. D. Bechac	Conti & Bourbon, N. O.	12	72 00	108 00	36 00	50
F. G. Hornberger	63 Royal, N. O	12	24 00	36 00	12 00	50
W. B. Harvey	1430 Felicity, N. O	12	120 00	180 00	60 00	50
M. F. Dunn	70 Camp, N. O	12	120 00	180 00	60 00	50
A. J. Coburn	Hansell Bros., N. O	12	48 00	72 00	24 00	50
G. A. Wiegand	103 Poydras, N. O	12	240 00	360 00	120 00	50
Carrie McGuigin	Soule's College, N. O.	12	72 00	108 00	36 00	50
G. L. Crandall	12 Carondelet, N. O	12	120 00	180 00	60 00	50
Miss K. Billings	40 Perdido, N. O	12	48 00	72 00	24 00	50
Chas. Guerre	612 Customhouse, N. O	12	72 00	108 00	36 00	50
Mrs. H. C. Angell	619 Julia, N. O	12	24 00	36 00	12 00	50
			2664 00	3996 00	1332 00	50%

REDEMPTION No. 9.
DECEMBER 10, 1895.

NAME OF HOLDER.	ADDRESS.	No. of Shares	Amount Paid by Holder.	Amount Rec'd By Holder.	PROFIT	
					Amt.	Per Ct.
Miss Z. Forbes	17 Decatur, N. O	12	24 00	36 00	12 00	50
L. F. Salomon	1923 St. Charles, N. O.	12	48 00	72 00	24 00	50
M. Generelly	P. O. Box 906, N. O.	12	48 00	72 00	24 00	50
Mrs. L. G. Generelly	P. O. Box 906, N. O.	12	24 00	36 00	12 00	50
Mrs. N. H. Generelly	P. O. Box 906, N. O.	12	24 00	36 00	12 00	50
Miss L. Generelly	P. O. Box 906, N O	12	24 00	36 00	12 00	50
Ferdinand Selest	626 Camp, N. O	12	48 00	72 00	24 00	50
R. Macardhy	16 Exchange Alley, N. O	12	24 00	36 00	12 00	50
C. E. Landry	Camp, N. O	12	24 00	36 00	12 00	50
Jos. Scheuermanu	Williams, Rich. Co. N.O	12	48 00	72 00	24 00	50
Ewd. E. Soule	St. Charles & Laf. N. O.	12	120 00	180 00	60 00	50
Robert Aitkin	Camp, N. O	12	48 00	72 00	24 00	50
Albert Stenzke	Baton Rouge, La	12	24 00	36 00	12 00	50
M. V. Richard	2310 Magazine, N. O	12	120 00	180 00	60 00	50
Jas. H. Aitkin	110 Camp, N. O	12	72 00	108 00	36 00	50
Mrs. L. A. Lewis	610 Julia, N. O	12	24 00	36 00	12 00	50
John Fouert	364 Camp, N. O	12	120 00	180 00	60 00	50
A. J. Guiranovich	126 Royal, N. O	12	48 00	72 00	24 00	50
D. A. McDonald	2358 Annunciation, N. O	12	48 00	72 00	24 00	50
Miss Ada Bernard	Brusly Landing, La	12	24 00	36 00	12 00	50
J. S. Benedic	Com. & Magazine, N. O.	12	24 00	36 00	12 00	50
G. D. Feldner	3206 Magazine, N. O	12	240 00	360 00	120 00	50
Mrs. Mary Spence	269 Erato, N. O	12	24 00	36 00	12 00	50
Mrs. A. J. Adde	Jackson & Prytania, N.O	12	72 00	108 00	36 00	50
Henry Welsch	887 Tchoupitoulas, N.O.	12	24 00	36 00	12 00	50
Alex. Decuers	1041 Decatur, N. O	12	48 00	72 00	24 00	50
Eugene Decuers	1041 Decatur, N. O	12	48 00	72 00	24 00	50
J. Gomes	7 Frenchmen, N. O	12	48 00	72 00	24 00	50
Jas. McKarn	1134 Tchoupit'las, N.O.	12	24 00	36 00	12 00	50
Weber A. Lemley	290 Howard, N. O	12	24 00	36 00	12 00	50
Miss W. Lemley	290 Howard, N. O	12	24 00	36 00	12 00	50
Mrs. Chas. Forstner	3102 Magazine, N. O	12	120 00	180 00	60 00	50
Addison Lewis	120 Camp, N. O	12	120 00	180 00	60 00	50
Geo. M. Leahy	113 Camp, N. O	12	120 00	180 00	60 00	50
Jas. Lewis	487 Canal, N. O	12	24 00	36 00	12 00	50
Jno. A. McLean	Box 394, N. O	12	48 00	72 00	24 00	50
Alex. Decuers	1041 Decatur, N. O	12	48 00	72 00	24 00	50
Eugene Ducuers	1041 Decatur, N. O	12	48 00	72 00	24 00	50
J. Gomes	1041 Decatur, N. O	12	72 00	108 00	36 00	50
L. E. Boulet	273 Decatur, N. O	12	120 00	180 00	60 00	50
H. W. Feldner	635 Girod, N. O	12	120 00	180 00	60 00	50
Mrs. Regina Waiss	1101 St. Charles, N. O.	12	96 00	144 00	48 00	50
Louis A. Castillion	218 Chartres, N. O	12	48 00	72 00	24 00	50
			2568 00	3852 00	1284 00	50%

15243

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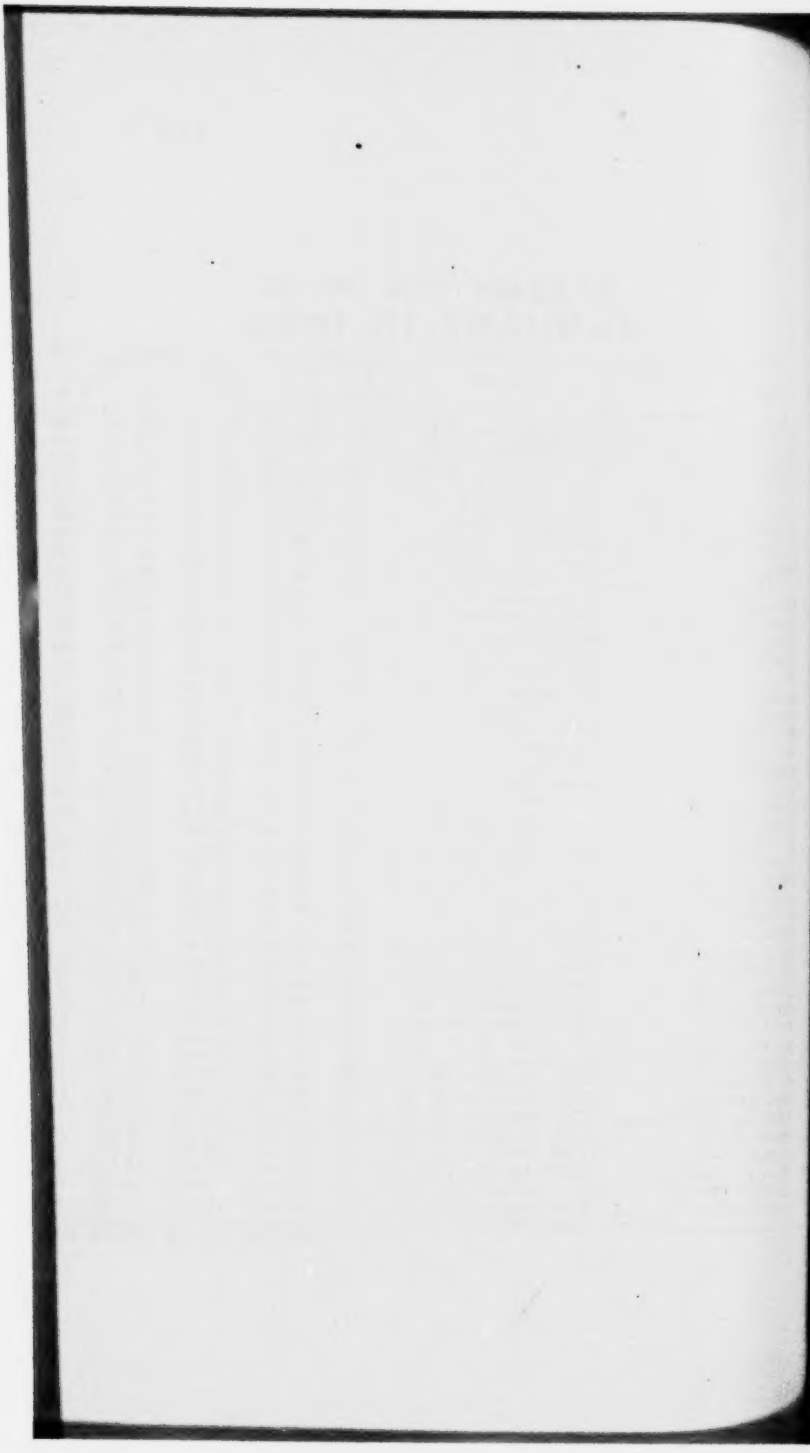
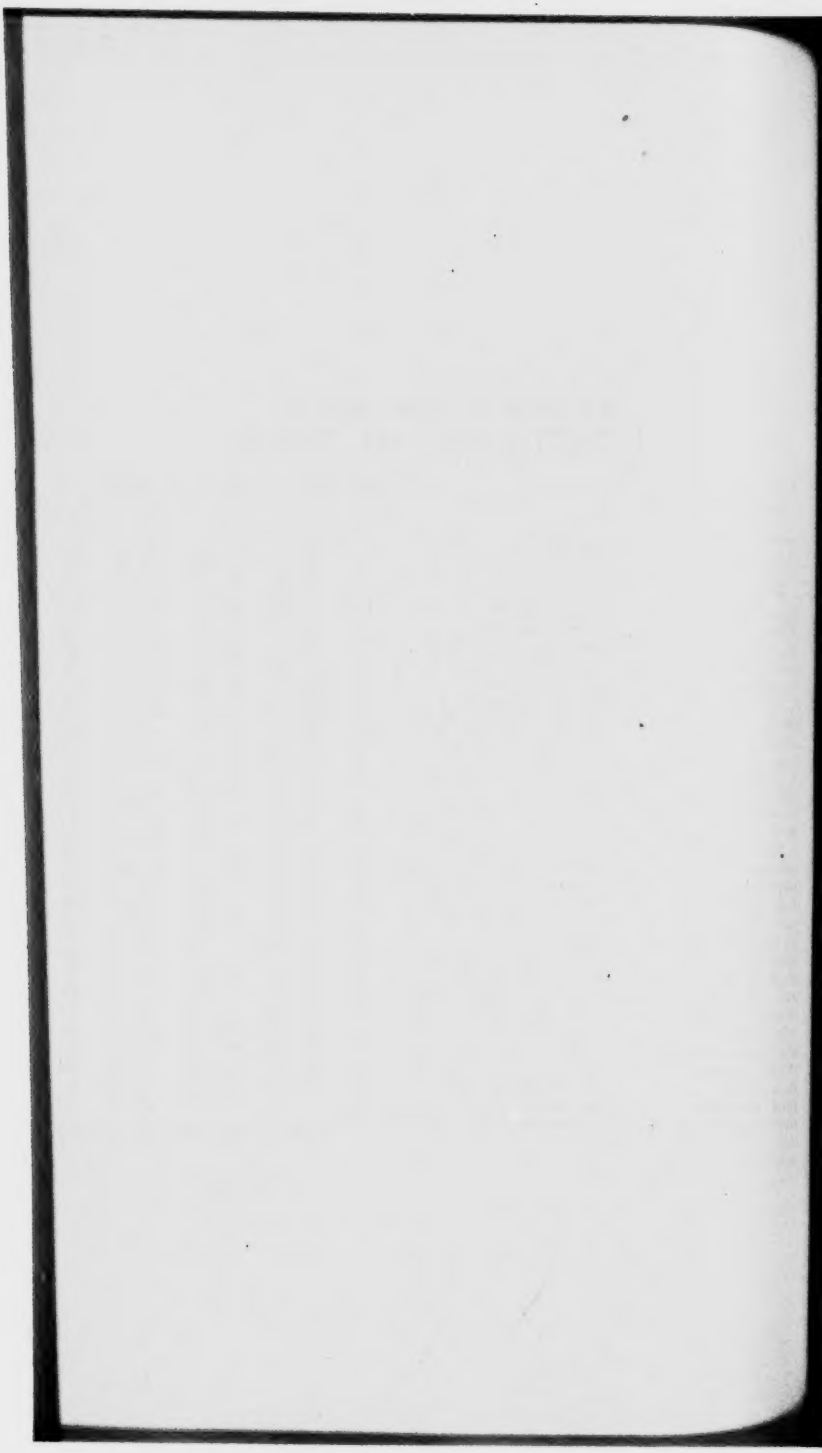
REDEMPTION No. 10.
JANUARY 10, 1896.

NAME OF HOLDER.	ADDRESS.	No. of Bonds Held	Amount Paid by Holder.	Amount Rec'd by Holder.	PROFIT	
					Amt	Per Ct.
Gustave Kohn	14 Carondelet N O	13	260 00	390 00	130 00	50
Miss J. Deynoodt	935 Barracks, N. O	13	26 00	39 00	13 00	50
Miss A. Gamotis	280 N. Prieur N O	13	26 00	39 00	13 00	50
W. F. McKee	1611 Dryades, N O	13	78 00	117 00	39 00	50
Sam'l Cohen	181 Poydras, N O	13	130 00	195 00	65 00	50
S. Feinberg	Beaumont, Texas	13	26 00	39 00	13 00	50
Milton Michel	Beaumont, Texas	13	52 00	78 00	26 00	50
Sam Goldberg	Beaumont, Texas	13	52 00	78 00	26 00	50
Lilly Berry	Birmingham, Ala	13	52 00	78 00	26 00	50
Mrs. J. Rossi	77 Bourbon, N. O	13	26 00	39 00	13 00	50
Thos. M. Cotton	728 St Charles, N O	13	78 00	117 00	39 00	50
Sam Montgomery	42 Perdido. N. O	13	52 00	78 00	26 00	50
Mrs. J W. Moore	Valence, N. O	13	130 00	195 00	65 00	50
W L. Stevenson	141 Canal, N. O	13	26 00	39 00	13 00	50
Jas. C. Colemannee	138 Camp, N. O	13	26 00	39 00	13 00	50
Jno. H. Conniff	44 Perdido, N O	13	130 00	195 00	65 00	50
W. Laughlin	44 Perdido, N. O	13	78 00	117 00	39 00	50
W. Laughlin, Jr	44 Perdido, N O	13	26 00	39 00	13 00	50
Martin Leach	103 Magnolia, N. O	13	26 00	39 00	13 00	50
Sam'l. B. Todd	8 St. Peter, N O.	13	26 00	39 00	13 00	50
Paul Blot	425 Chartres, N. O	13	26 00	39 00	13 00	50
Louis Beck	273 Decatur, N. O	13	52 00	78 00	26 00	50
F Selest	138 Camp, N O	13	26 00	39 00	13 00	50
L. A. Hufft	222 S Robertson, N O	13	26 00	39 00	13 00	50
Chas. F Kirsch	B. J Montgomery Co N.O	13	52 00	78 00	26 00	50
J. Dominquez	308 Elysian Field, N. O	13	130 00	195 00	65 00	50
F Caspar	Gen Agent, N O	13	52 00	78 00	26 00	50
Mrs. Marie Dyer	Mandeville, La	13	52 00	78 00	26 00	50
M J. Magruder	1113 Louisiana av N.O	13	130 00	195 00	65 00	50
M Budinski	3205 Magazine N O	13	26 00	39 00	13 00	50
Alfred Uhalt	866 Magazine, N O	13	26 00	39 00	13 00	50
Joseph Uhalt	866 Magazine, N O	13	26 00	39 00	13 00	50
E L. Bemiss	423 Baronne, N O	13	130 00	195 00	65 00	50
Julia B. Rogers	338 Canal. N. O	13	130 00	195 00	65 00	50
Jane G. Rogers	338 Canal, N O.	13	130 00	195 00	65 00	50
G Leonard	2205 Magazine, N. O	13	52 00	78 00	26 00	50
Max Mausberg	3222 Magazine, N. O	13	52 00	78 00	26 00	50
Abraham Asher	3126 Magazine, N. O	13	52 00	78 00	26 00	50
Jacob Young	2124 Magazine, N. O	13	78 00	117 00	39 00	50
Baptiste Jung	1059 Magazine, N. O	12	48 00	72 00	24 00	50
Wm. A. Gastrock	854 Magazine, N. O	12	72 00	108 00	36 00	50
A. L. Soule	St. Charles St. N. O	12	48 00	72 00	24 00	50
Chas. Schaefer	2205 Magazine, N. O	12	48 00	72 00	24 00	50
			2790 00	4185 00	1395 00	50%



REDEMPTION No. 11.
FEBRUARY 10, 1896.

NAME OF HOLDER.	ADDRESS.	No. of Months in force	Amount Paid by Holder.	Amount Rec'd By Holder.	PROFIT	
					Amt.	Per Ct
Chas. F. Wiemann	837 Magazine, N. O	13	130 00	195 00	65 00	50
H. L. Nores	868 Magazine, N. O	13	52 00	78 00	26 00	50
J. Stolzenthaler	721 Fourth, N. O	13	26 00	39 00	13 00	50
Miss L. E. Strader	269 Erato, N. O	13	26 00	39 00	13 00	50
Walter C. Strader	269 Erato, N. O	13	26 00	39 00	13 00	50
W. L. T. Rogerson	36 Carondelet, N. O	13	130 00	195 00	65 00	50
Mrs. J. Rossi	77 Bourbon, N. O	13	52 00	78 00	26 00	50
V. Young	Poydras, N. O	13	130 00	195 00	65 00	50
R. Vallon	295 Bourbon, N. O	13	130 00	195 00	65 00	50
George Aldige	295 St. Charles, N. O	13	130 00	195 00	65 00	50
Louis E. Lemley	918 Howard ave, N. O	13	26 00	39 00	13 00	50
Miss T. M. Berger	Des Moines, Iowa	13	130 00	195 00	65 00	50
R. J. Ross	117 Magazine, N. O	13	130 00	195 00	65 00	50
Mrs. Alex. Marx	1137 Ninth, N. O	13	52 00	78 00	26 00	50
H. C. Schaumburg	Chess Club, N. O	13	78 00	117 00	39 00	50
H. L. Garland, Jr	13 Com'l Alley, N. O	13	130 00	195 00	65 00	50
J. Stolzenthaler	721 Fourth, N. O	13	26 00	39 00	13 00	50
George Evans, Jr	St. Peter & Chartres, NO	13	130 00	195 00	65 00	50
Miss Ema Waiss	1101 St. Charles, N. O	13	78 00	117 00	39 00	50
J. R. Massa	256 Bourbon, N. O	13	52 00	78 00	26 00	50
Jos. Hellen	So. Pac. Co, N. O	13	130 00	195 00	65 00	50
A. Seeligmann	2003 Laurel, N. O	13	52 00	78 00	26 00	50
E. A. Wood	1028 Dryades, N. O	13	130 00	195 00	65 00	50
H. B. Byrne	301 Camp, N. O	13	260 00	390 00	130 00	50
John Warnke	4618 Constance, N. O	13	26 00	39 00	13 00	50
William Wild	3114 Magazine, N. O	13	52 00	78 00	26 00	50
Wm. Graner	1739 Baronne, N. O	13	130 00	195 00	65 00	50
Geo. Scheuermann	386 Annunciation, N. O	13	260 00	390 00	130 00	50
D. M. Kelley	420 Carondelet, N. O	13	130 00	195 00	65 00	50
R. Liedner	Berlin&Magazine, N. O	13	130 00	195 00	65 00	50
L. S. Graham	44 Baronne, N. O	13	26 00	39 00	13 00	50
			2990 00	4485 00	1495 00	50%



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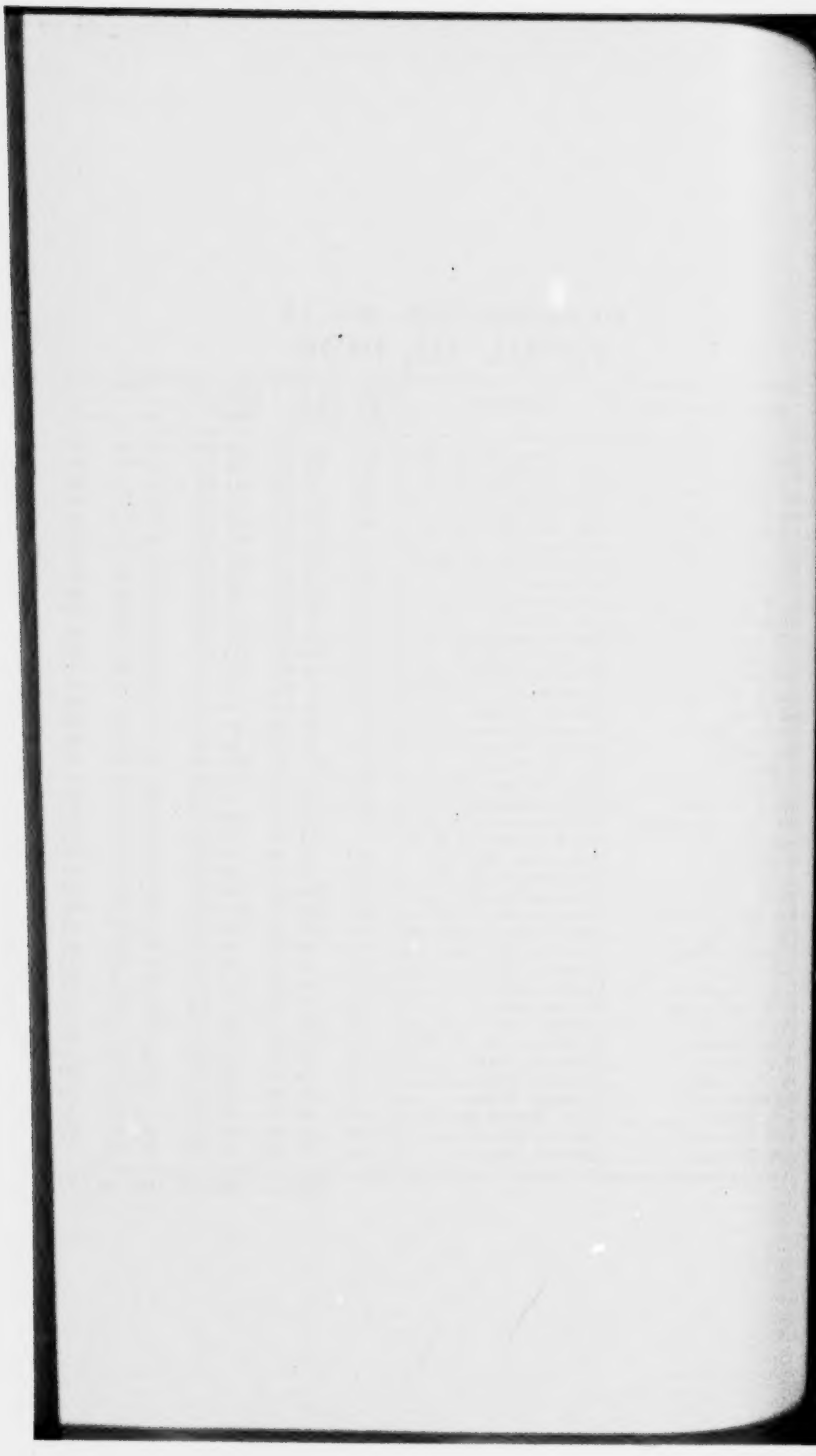
REDEMPTION No. 12.
MARCH 10, 1896.

NAME OF HOLDER.	ADDRESS.	No. of Shares Held	Amount Paid by Holder.	Amount Rec'd By Holder.	PROFIT	
					Amt.	Per Ct
Lewis S. Graham	44 Baronne, N. O.	14	252 00	378 00	126 00	50
B. D. T. Sherwood	209 Baronne, N. O.	14	140 00	210 00	70 00	50
J. M. C. de Oliveira	129 Decatur, N. O.	14	84 00	126 00	42 00	50
Frank Soule	Soule College, N. O.	14	56 00	84 00	28 00	50
Bernard Bruenn	8 Carondelet, N. O.	14	140 00	210 00	70 00	50
Jas. Ordis	135 Julia, N. O.	14	28 00	42 00	14 00	50
Chas. Bothner	2926 Chippewa, N. O.	14	84 00	126 00	42 00	50
Mrs. Geo. A. Villere	1530 Conery, N. O.	14	140 00	210 00	70 00	50
Jno. Sporl	New Orleans, La.		28 00	42 00	14 00	50
George Bothner	484 Chippewa, N. O.	14	56 00	84 00	28 00	50
Gordon S. Orme	41 N. Peters, N. O.	14	280 00	420 00	140 00	50
Louis Sproule	268 Girod, N. O.	14	140 00	210 00	70 00	50
Christ. Schenck	3211 Magazine, N. O.	14	140 00	210 00	70 00	50
Charley Kahn	3211 Magazine, N. O.	14	28 00	42 00	14 00	50
Jas. Ordis	165 Julia, N. O.	14	28 00	42 00	14 00	50
L. L. Abbott	408 Felicity, N. O.	14	140 00	210 00	70 00	50
Erle P. Turner	Broad and Canal, N. O.	14	28 00	42 00	14 00	50
Lily Marks	1203 Eighth, N. O.	14	28 00	42 00	14 00	50
Mrs. Wm. Wild	3114 Magazine, N. O.	14	56 00	84 00	28 00	50
Michel Bernhard	Third and Felicity, N. O	14	140 00	210 00	70 00	50
Edmund Gallon	905 Amelia, N. O.	14	56 00	84 00	28 00	50
Pierre V. Mares	505 Bourbon, N. O.	14	28 00	42 00	14 00	50
Frank Hernsheim	3811 St. Charles, N. O.	14	140 00	210 00	70 00	50
Wm. Daniels	Liberty & Felicity, N. O	14	28 00	42 00	14 00	50
M. A. Wilson	Liberty & Felicity, N. O	14	140 00	210 00	70 00	50
Mrs. M. A. Wilson	Liberty & Felicity, N. O	14	140 00	210 00	70 00	50
P. Kinney	50 Third, N. O.	14	140 00	210 00	70 00	50
Otto Lithman	103 S. Rampart, N. O.	14	28 00	42 00	14 00	50
Mrs. Ernest Stoltz	City	14	140 00	210 00	70 00	50
J. D. Burghardt	93 Royal, N. O.	14	28 00	42 00	14 00	50
Paul Blum	106 Gravier, N. O.	14	140 00	210 00	70 00	50
Ellen Ford	616 Julia, N. O.	14	140 00	210 00	70 00	50
Mrs. L. Pickett	419 S. Liberty, N. O.	14	84 00	126 00	42 00	50
O. M. White	Schwan & Co. L'd. N. O	14	84 00	126 00	42 00	50
Annie M. Gulick	New Orleans, La.	14	28 00	42 00	14 00	50
			3360 00	5040 00	1680 00	50%

REDEMPTION No. 13.
APRIL 10, 1896.

NAME OF HOLDER.	ADDRESS.	Amount Paid by Holder.	Amount Rec'd by Holder.	PROFIT.	
				Amt	Per Ct.
Miss A. M. Gulick	P. O. Dept. N. O., La.	120 00	180 00	60 00	50
Miss H. E. Miller	1511 Polymnia, N. O.	30 00	45 00	15 00	50
Mrs. P. J. McManus	3618 Baronne, N. O.	90 00	135 00	45 00	50
Mrs. J. W. Gitz	421 Liberty, N. O.	90 00	135 00	45 00	50
D. Ellerbusch	464 Liberty, N. O.	60 00	90 00	30 00	50
H. J. McDonald	29 Conery, N. O.	90 00	135 00	45 00	50
Mrs. M. Bernhard	Third & Liberty, N. O.	140 00	210 00	70 00	50
H. J. McDonald	29 Conery, N. O.	84 00	126 00	42 00	50
M. Wolper	429 Jackson, N. O.	56 00	84 00	28 00	50
William Seymour	162 Peniston, N. O.	28 00	42 00	14 00	50
C. E. Feldner	1131 Magazine, N. O.	140 00	210 00	70 00	50
H. C. Welch	35 Natchez, N. O.	140 00	210 00	70 00	50
A. Dufilho	Whitney Bank, N. O.	84 00	126 00	42 00	50
Mrs. E. T. Devere	Dryades & St. A., N. O.	56 00	84 00	28 00	50
Joe Miller	Orange, Texas	56 00	84 00	28 00	50
Maurice Miller	Orange, Texas	56 00	84 00	28 00	50
Etta Miller	Orange, Texas	56 00	84 00	28 00	50
L. Miller	Orange, Texas	140 00	210 00	70 00	50
C. J. Gitz	1807 Dryades, N. O.	140 00	210 00	70 00	50
Geo. J. Feldner	1131 Magazine, N. O.	56 00	84 00	28 00	50
Mrs. W. A. Deniger	636 Constance, N. O.	140 00	210 00	70 00	50
John Krauss	4th & Chippewa, N. O.	140 00	210 00	70 00	50
G. D. Semkin	Savannah, Ga.	28 00	42 00	14 00	50
Aaron Stern	Washington, D. C.	56 00	84 00	28 00	50
Mrs. G. Stern	Washington, D. C.	140 00	210 00	70 00	50
Mrs. George Stern	Washington, D. C.	140 00	210 00	70 00	50
J. B. Keenan	5033 Tchoupitoulas, NO	140 00	210 00	70 00	50
T. D. McMillan	Mobile, Ala.	56 00	84 00	28 00	50
P. B. Dorian	Mobile, Ala.	56 00	84 00	28 00	50
L. P. Waganer	Mobile, Ala.	140 00	210 00	70 00	50
M. W. Harrison	Mobile, Ala.	56 00	84 00	28 00	50
Pat. J. Lyons	Mobile, Ala.	280 00	420 00	140 00	50
S. M. Fucich	8 Dumaine st., N. O.	140 00	210 00	70 00	50
W. D. Bettis	Orange, Texas	56 00	84 00	28 00	50
Mrs. H. Crager	Orange, Texas	84 00	126 00	42 00	50
J. McKinnon	Orange, Texas	140 00	210 00	70 00	50
J. P. Lafeton	31 S. Roman st., N. O.	28 00	42 00	14 00	50
A. C. Pickens	Mobile, Ala.	140 00	210 00	70 00	50
J. M. Hanegan	Mobile, Ala.	28 00	42 00	14 00	50
		3700 00	5550 00	1850 00	50%



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REDEMPTION No. 14.

MAY 10, 1896.

NAME OF HOLDER.	ADDRESS.	No. of Bonds Redeemed.	Amount Paid by Holder.	Amount Rec'd By Holder.	PROFIT	
					Amt.	Per Ct
S. S. Murphy, Jr	Mobile, Ala	15	150 00	225 00	75 00	50
Edward S. Kiencke	Mobile, Ala	15	150 00	225 00	75 00	50
Jno. J. Damrich	Mobile, Ala	15	60 00	90 00	30 00	50
G. W. Smith	Mobile, Ala	15	120 00	180 00	60 00	50
Henry C. MacEwan	Mobile, Ala	15	60 00	90 00	30 00	50
Douglas Vass	Mobile, Ala	15	60 00	90 00	30 00	50
R. H. Marshall	Mobile, Ala	15	60 00	90 00	30 00	50
A. P. Reese	Pensacola, Fla	15	30 00	45 00	15 00	50
Lelia C. Reese	Pensacola, Fla	15	90 00	135 00	45 00	50
E. E. Reese	Pensacola, Fla	15	30 00	45 00	15 00	50
A. McKinnon	Orange, Tex	15	60 00	90 00	30 00	50
A. R. Sholars	Orange, Tex	15	30 00	45 00	15 00	50
S. W. Sholars	Orange, Tex	15	30 00	45 00	15 00	50
C. E. Witherspoon	Orange, Tex	15	30 00	45 00	15 00	50
D. W. Swetman	Mobile, Ala	15	90 00	135 00	45 00	50
Mrs. Eliza Fahey	464 Dauphine, N. O	15	90 00	135 00	45 00	50
S. P. Tanner	Mobile, Ala	15	30 00	45 00	15 00	50
W. A. Monroe	Pensacola, Fla	15	60 00	90 00	30 00	50
R. P. Reese	Pensacola, Fla	15	60 00	90 00	30 00	50
Jno. G. Wood	Pensacola, Fla	15	60 00	90 00	30 00	50
C. F. Zeek	Pensacola, Fla	15	120 00	180 00	60 00	50
Thos. F. Webster	Mobile, Ala	15	30 00	45 00	15 00	50
Louis J. Fox	Birmingham, Ala	15	60 00	90 00	30 00	50
Miss Alice Poirier	243 Bourbon, N. O	15	30 00	45 00	15 00	50
P. W. Smith	Pensacola, Fla	15	30 00	45 00	15 00	50
Sam. Fitzhugh	So. Pac. Co., N. O	15	30 00	45 00	15 00	50
Dani. McNeill	Mobile, Ala	15	30 00	45 00	15 00	50
W. B. Rowland	Mobile, Ala	15	60 00	90 00	30 00	50
C. M. Shepard	Mobile, Ala	15	60 00	90 00	30 00	50
Frank Arrico	Birmingham, Ala	15	30 00	45 00	15 00	50
J. B. Nordlinger	Washington, D. C	15	60 00	90 00	30 00	50
Julius Zork	San Antonio, Tex	15	30 00	45 00	15 00	50
Annette Wolff	San Antonio, Tex	15	90 00	135 00	45 00	50
Louis Reimuth	46 Exchange Alley, N. O	15	30 00	45 00	15 00	50
M. F. Kirkbride	Mobile, Ala	15	300 00	450 00	150 00	50
Mrs. E. P. Kirkbride	Mobile, Ala	15	150 00	225 00	75 00	50
R. W. Haynes	Washington, D. C	15	60 00	90 00	30 00	50
R. J. Hutchinson	Tricon & Pontalba, N. O	15	30 00	45 00	15 00	50
J. O. Dickens	Mobile, Ala	15	150 00	225 00	75 00	50
M. F. Tucker	Mobile, Ala	15	60 00	90 00	30 00	50
Thos. H. Chamberlain	Mobile, Ala	15	60 00	90 00	30 00	50
Mrs. E. Barrus	800 Washington av. N. O	14	84 00	126 00	42 00	50
Fred. Schwab	Washington, D. C	14	140 00	210 00	70 00	50
Mrs. W. R. Christian	1521 Seventh, N. O	14	140 00	210 00	70 00	50
Mrs. Clara Bernstein	Birmingham, Ala	14	28 00	42 00	14 00	50
H. W. Eggler	Birmingham, Ala	14	28 00	42 00	14 00	50
Simon Lyon	Washington, D. C	14	56 00	84 00	28 00	50
J. Barzana	923 Conti, N. O	14	56 00	84 00	28 00	50
W. R. Christian	1521 Seventh, N. O	14	140 00	210 00	70 00	50
Anna H. Elliott	Washington, D. C	14	56 00	84 00	28 00	50
Arthur Garcia	828 Toulouse, N. O	14	56 00	84 00	28 00	50
T. C. Will	430 Melpomme, N. O	14	140 00	210 00	70 00	50
H. F. Saxon	Augusta, Ga	14	56 00	84 00	28 00	50
Charles Schimpf	Mobile, Ala	14	140 00	210 00	70 00	50
W. B. Adams	Orange, Tex	14	56 00	84 00	28 00	50
Earl Bunn	Orange, Tex	14	28 00	42 00	14 00	50
Celia Jackson	Washington, D. C	14	28 00	42 00	14 00	50
F. E. Aunspaugh	Mobile, Ala	14	56 00	84 00	28 00	50
			4138 00	6207 00	2069 00	50%

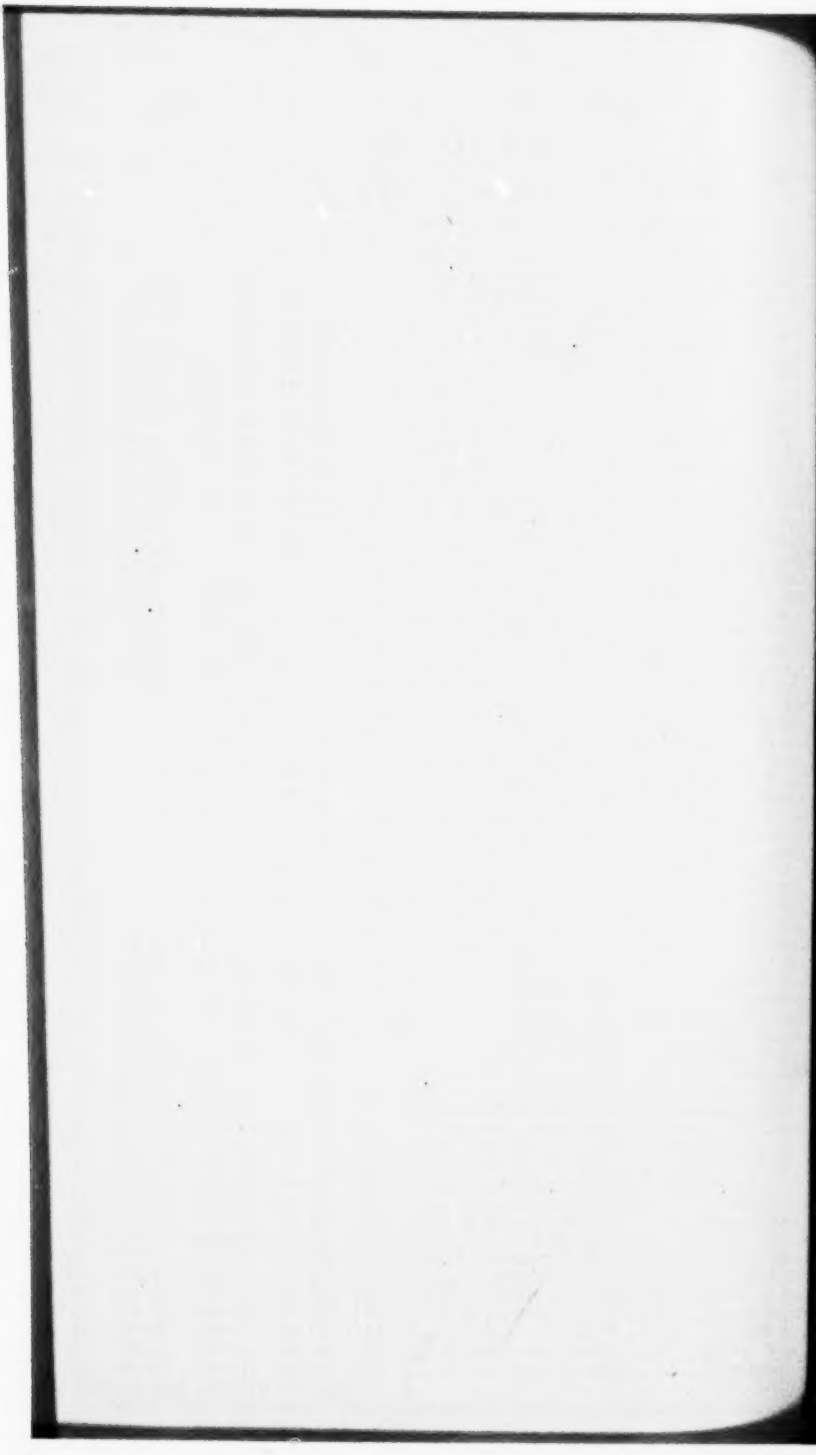
REDEMPTION No. 15.
JUNE 10, 1896.

NAME OF HOLDER.	ADDRESS.	No. of Bonds in Lot	Amount Paid by Holder.	Amount Rec'd by Holder.	PROFIT	
					Amt.	Per Ct
Mrs. Victor Gruber	400 Dauphine, N. O.	15	150 00	225 00	75 00	50
W. C. Belknap	Mobile, Ala	15	90 00	135 00	45 00	50
John E. Nores, Jr.	Dauphine & Orleans	15	30 00	45 00	15 00	50
Chas. J. Lessell	Mobile, Ala	15	30 00	45 00	15 00	50
Thos. J. Webster	Mobile, Ala	15	30 00	45 00	15 00	50
C. A. Cunningham	Mobile, Ala	15	60 00	90 00	30 00	50
Jas. A. Daniell	Mobile, Ala	15	90 00	135 00	45 00	50
W. G. Addison	Orange, Texas	15	30 00	45 00	15 00	50
Jas. G. Terry	Mobile, Ala	15	60 00	90 00	30 00	50
Jno. J. Byrne	158 Calliope, N. O.	15	150 00	225 00	75 00	50
E. H. Gould	Pensacola, Fla	14	140 00	210 00	70 00	50
L. E. Andrews	Pensacola, Fla	14	28 00	42 00	14 00	50
J. W. Andrews	Pensacola, Fla	14	28 00	42 00	14 00	50
J. P. Roberts	Mobile, Ala	14	28 00	42 00	14 00	50
Robt. Wall	301 Camp, N. O.	14	56 00	84 00	28 00	50
Harvy W. Crane	1002 Esplanade, N. O.	14	28 00	42 00	14 00	50
E. W. Lawrence	Pensacola, Fla	14	56 00	84 00	28 00	50
C. B. McKinnon	Pensacola, Fla	14	140 00	210 00	70 00	50
Miss A. B. Grady	Anacostia, D. C	14	140 00	210 00	70 00	50
Geo. Coblinzer	Washington, D. C	14	56 00	84 00	28 00	50
G. Mothe	95 Toulouse, N. O.	14	56 00	84 00	28 00	50
W. T. Coats	545 Tchoupitoulas, N.O	14	84 00	126 00	42 00	50
Mrs. Katie Becker, Jr.	2101 Liberty, N. O.	14	140 00	210 00	70 00	50
Mrs. C. A. Hope	2023 S. Liberty, N. O.	14	140 00	210 00	70 00	50
Paul Hope	2023 S. Liberty, N. O.	14	28 00	42 00	14 00	50
Mrs. Jennie Hincks	829 Dumaine, N. O.	14	28 00	42 00	14 00	50
G. W. Gonzalez	Pensacoala, Fla	14	56 00	84 00	28 00	50
Joseph Conrad	St. Andrew & Magnolia	14	280 00	420 00	140 00	50
Chas. F. Kirsch	Camp & Poydras, N. O	14	84 00	126 00	42 00	50
Wm. Newman	473 Camp, N. O.	14	140 00	210 00	70 00	50
J. P. Mirandone	Josephine & Magnolia	14	700 00	1050 00	350 00	50
H. A. Waters	Pensacola, Fla	14	28 00	42 00	14 00	50
B. J. Martin	702 Camp, N. O.	14	56 00	84 00	28 00	50
J. W. Stringer	Seventh&Chippewa,NO	14	140 00	210 00	70 00	50
Mrs. G. L. Pickett	1806 S. Liberty, N. O.	14	84 00	126 00	42 00	50
Joseph Conrad	St. Andrew & Magnolia	14	140 00	210 00	70 00	50
H. C. Welch	Natchez Alley, N. O.	14	140 00	210 00	70 00	50
Mrs. Theresia Unland	2206 Magnolia, N. O.	14	28 00	42 00	14 00	50
Mrs. L. C. Stratmann	2102 Magnolia, N. O.	14	28 00	42 00	14 00	50
Jas. J. Russell	1120 Lafayette. N. O.	14	140 00	210 00	70 00	50
Julius Winter	1001 Canal, N. O.	14	280 00	420 00	140 00	50
Henry Mische	1001 Canal, N. O.	13	52 00	78 00	26 00	50
Eichhorn & Lester	941 Tchoupitoulas, N.O	13	130 00	195 00	65 00	50
Aristide Daleat	31 Frenchmen, N. O.	13	78 00	117 00	39 00	50
Chas. Rosen	606 Com'l Alley, N. O.	13	26 00	39 00	13 00	50
H. C. Wildesen	248 Camp, N, O.	13	130 00	195 00	65 00	50
P. J. Martin	702 Camp, N. O.	13	26 00	39 00	13 00	50
A. Demarest	R.E.Lee Hat Store,N.O	13	26 00	39 00	13 00	50
M. J. Hawes	Mobile, Ala	13	26 00	39 00	13 00	50
			4714 00	7071 00	2357 00	50%

15249

REDEMPTION No. 16. 366g
JULY 10, 1896.

NAME OF HOLDER.	ADDRESS.	No. of Months Before	Amount Paid by Holder.	Amount Rec'd By Holder.	PROFIT	
					Amt.	Per Ct
E. D. Lyons	510 Camp, N. O.	14	56 00	84 00	28 00	50
Jas. H. Aitkens, Jr	300 S. Franklin, N. O.	14	28 00	42 00	14 00	50
Jonas Martin	New Orleans, La.	14	140 00	210 00	70 00	50
Jno. Helffrich	J. I. Adams & Co., N. O	14	140 00	210 00	70 00	50
T. Bruning	West End, N. O.	14	280 00	420 00	140 00	50
W. H. More	9 Decatur, N. O.	14	140 00	210 00	70 00	50
Miss H. D. Henderson	Mobile, Ala.	14	28 00	42 00	14 00	50
Bernard Abadie	1 Ursulines, N. O.	14	140 00	210 00	70 00	50
Rev. Quincy Ewing	Greenville, Miss.	14	84 00	126 00	42 00	50
B. Levy	1737 Third, N. O.	14	56 00	84 00	28 00	50
Peter J. Barnes	1611 Gasquet, N. O.	14	112 00	168 00	56 00	50
Mrs. J. W. Moore	1727 Valence, N. O.	14	56 00	84 00	28 00	50
Mrs. Sylvia Disharoun	4605 Carondelet, N. O.	14	56 00	84 00	28 00	50
E. D. Lyons	510 Camp, N. O.	14	84 00	126 00	42 00	50
Jacob Young	2124 Magazine, N. O.	14	280 00	420 00	140 00	50
Leon Cadiat	2432 Josephine, N. O.	14	28 00	42 00	14 00	50
Joseph Jossen	Mobile, Ala.	14	140 00	210 00	70 00	50
Fred. Reppel	3523 Carondelet, N. O.	14	56 00	84 00	28 00	50
Chas. Reppel	3523 Carondelet, N. O.	14	56 00	84 00	28 00	50
Mrs. M. C. Culbertson	Aline n'r Chestnut, N. O	14	28 00	42 00	14 00	50
H. W. Heseker	1228 Spain, N. O.	14	56 00	84 00	28 00	50
Jno. W. McDuff	Poydras, W. H., N. O.	14	28 00	42 00	14 00	50
H. Chamberlain	Mobile, Ala.	14	28 00	42 00	14 00	50
L. J. Muntz	Mobile, Ala.	14	56 00	84 00	28 00	50
Louis T. Goreau	1062 St. Charles, N. O.	14	28 00	42 00	14 00	50
P. B. Dixon	Mobile, Ala.	14	56 00	84 00	28 00	50
J. P. Helffrich	New Orleans, La.	14	140 00	210 00	70 00	50
Geo. F. Eckhardt	348 Magazine, N. O.	14	28 00	42 00	14 00	50
Jacob Lotz	1805 Magnolia, N. O.	14	28 00	42 00	14 00	50
Mrs. Mary Maechling	2813 Jackson, N. O.	14	28 00	42 00	14 00	50
Miss Sarah Dwyer	2813 Jackson, N. O.	14	28 00	42 00	14 00	50
W. W. Stanley	705 Melpomene, N. O.	14	56 00	84 00	28 00	50
B. Scanlan	2412 St. Andrew, N. O.	14	56 00	84 00	28 00	50
Victor Young	930 Poydras, N. O.	14	140 00	210 00	70 00	50
J. B. Chamberlin	Moss Point, Miss.	14	56 00	84 00	28 00	50
G. J. Swan	Moss Point, Miss.	14	56 00	84 00	28 00	50
J. W. Stewart	Moss Point, Miss.	14	84 00	126 00	42 00	50
J. W. Spratley	Mobile, Ala.	14	28 00	42 00	14 00	50
Joseph Hecht	907 Royal, N. O.	13	26 00	39 00	13 00	50
Jno. Baltz	426 Common, N. O.	13	52 00	78 00	26 00	50
H. P. Margue	32 Tchoupitoulas, N. O	13	130 00	195 00	65 00	50
G. Mothe	95 Toulouse, N. O.	13	78 00	117 00	39 00	50
Chas. Eckhardt	348 Magazine, N. O.	13	130 00	195 00	65 00	50
Jos. Bonomo	62 Palmyra, N. O.	13	130 00	195 00	65 00	50
Jno. T. Raymond	30 Harmony, N. O.	13	26 00	39 00	13 00	50
Rhett Goode, M. D.	Mobile, Ala.	13	52 00	78 00	26 00	50
Jno. Krouter	Austerlitz & Laurel, NO	13	52 00	78 00	26 00	50
Alfred P. Barnes	6013 Tchoupitoulas, NO	13	52 00	78 00	26 00	50
Mary J. Andrews	Pensacola, Fla.	13	52 00	78 00	26 00	50
Philip Jacquemine	535 S. Rampart, N. O.	13	26 00	39 00	13 00	50
Frank P. Custer	1200 Canal, N. O.	13	130 00	195 00	65 00	50
W. S. Fassmann	1616 Dryades, N. O.	13	78 00	117 00	39 00	50
John Gaillard	Mobile, Ala.	13	52 00	78 00	26 00	50
Edward Hynes	920 Music, N. O.	13	26 00	39 00	13 00	50
Michael Young	226 Poydras, N. O.	13	130 00	195 00	65 00	50
Peter Fabacher	623 Commerce, N. O.	13	130 00	195 00	65 00	50
Mrs. Emma S. Barnes	New Orleans, La.	13	52 00	78 00	26 00	50
Geo. B. Davis	First & Howard, N. O.	13	130 00	195 00	65 00	50
Jno. H. Malm	292 Columbus, N. O.	13	130 00	195 00	65 00	50
A. J. Wetzel	1124 Galvez, N. O.	13	52 00	78 00	26 00	50
Jno. W. Duffy	1632 Tulane ave, N. O.	13	26 00	39 00	13 00	50
E. Maury Fry	Mobile, Ala.	13	52 00	78 00	26 00	50
			4762 00	7143 00	2381 00	50%



15250

REDEMPTION No. 17.
AUGUST 10, 1896.

NAME OF HOLDER.	ADDRESS.	No. of Months in force	Amount Paid by Holder.	Amount Rec'd By Holder.	PROFIT	
					Amt.	Per Ct
Michael Dore	129 Maple, N. O	14	140 00	210 00	70 00	50
Jas J. Cardno	1311 Chippewa, N. O	14	56 00	84 00	28 00	50
Fred. Amelling	417 Joseph, N. O	14	56 00	84 00	28 00	50
Adam Junker	23½ Dublin, N. O	14	56 00	84 00	28 00	50
John Fourment	23 Dublin, N. O	14	140 00	210 00	70 00	50
P. H. Jensen	618 St. Charles, N. O	14	140 00	210 00	70 00	50
H. H. Fredrick	213 Tchoupitoulas, N.O	13	650 00	975 00	325 00	50
W. E. Maxent	Board of Trade, N. O	13	26 00	39 00	13 00	50
J. L. Onorato	621 Gravier, N. O	13	130 00	195 00	65 00	50
J. L. Onorato	621 Gravier, N. O	13	130 00	195 00	65 00	50
Miss Kate Duffy	610 Julia, N. O	13	52 00	78 00	26 00	50
T. L. Bayne	621 Gravier, N. O	13	260 00	390 00	130 00	50
Miss B. E. Emke	2139 Liberty, N. O	13	78 00	117 00	39 00	50
Frank Sparul	Julia & St. Charles, NO	13	260 00	390 00	130 00	50
G. D. Feldner	3206 Magazine, N. O	13	650 00	975 00	325 00	50
Mrs. E. Feldner	3206 Magazine, N. O	13	650 00	975 00	325 00	50
Mrs. A. Walzer	2502 Melpomene, N. O.	13	130 00	195 00	65 00	50
Mrs. A. Walzer	2502 Melpomene, N. O.	13	130 00	195 00	65 00	50
Chas. Rosenberg	621 Gravier, N. O	13	26 00	39 00	13 00	50
Sam. Lyon	Rampart & Calliope, NO	13	52 00	78 00	26 00	50
Augt. J. Baumann	1016 Annunciation, NO	13	52 00	78 00	26 00	50
Philip Schumann	1301 Magazine, N. O	13	26 00	39 00	13 00	50
Jacob Young	2124 Magazine, N. O	13	260 00	390 00	130 00	50
P. H. Jensen	618 St. Charles, N. O	13	260 00	390 00	130 00	50
Mrs. P. H. Jensen	618 St. Charles, N. O	13	182 00	273 00	91 00	50
Jacob Young	2124 Magazine, N. O	13	52 00	78 00	26 00	50
P. Peter	2309 Tchoupitoulas, NO	13	260 00	390 00	130 00	50
Andrew DeBergue	450½ Dryades, N. O	13	78 00	117 00	39 00	50
J. W. Duffy	Tulane & Magnolia, N.O	13	26 00	39 00	13 00	50
Mrs. P. J. McManus	3618 Baronne, N. O	13	130 00	195 00	65 00	50
Chas. Bohl	Oak and Monroe, N. O	13	130 00	195 00	65 00	50
T. J. McTague	3208 Tulane, N. O	13	26 00	39 00	13 00	50
Mrs. H. Wigginton	213 N. Peters, N. O	13	26 00	39 00	13 00	50
			5320 00	7980 00	2660 00	50%

15251

366h

REDEMPTION No. 18.
SEPTEMBER 10, 1896.

NAME OF HOLDER.	ADDRESS.	No. of Months in force	Amount Paid by Holder.	Amount Rec'd By Holder.	PROFIT	
					Amt.	Per Ct.
Mrs. H. Wigginton	213 N. Peters, N. O.	14	28 00	42 00	14 00	50
Corinne Bernos	508 Esplanade, N. O.	14	56 00	84 00	28 00	50
Florence Bernos	508 Esplanade, N. O.	14	56 00	84 00	28 00	50
Geo. H. Bernos	508 Esplanade, N. O.	14	56 00	84 00	28 00	50
P. J. Heavey	1942 Tulane, N. O.	14	140 00	210 00	70 00	50
C. M. Keiffer,	610 Canal, N. O.	14	140 00	210 00	70 00	50
L. B. Keiffer	610 Canal, N. O.	14	56 00	84 00	28 00	50
P. J. Heavey	1942 Tulane, N. O.	14	140 00	210 00	70 00	50
Mrs. H. Pretorious	3123 Chippewa, N. O.	14	56 00	84 00	28 00	50
Dr. H. L. Jensen	512 St. Charles, N. O.	14	280 00	420 00	140 00	50
F. A. Winchester	care Pickwick Cl, N. O	14	56 00	84 00	28 00	50
Geo. J. Mitchell	care Pickwick Cl, N. O.	14	56 00	84 00	28 00	50
Mrs. H. Wigginton	213 N. Peters, N. O.	14	84 00	126 00	42 00	50
Mrs. M. LeNeve	88 Annette, N. O.	14	56 00	84 00	28 00	50
J. S. Morel	828 Gravier, N. O.	14	28 00	42 00	14 00	50
Rita M. Morel	828 Gravier, N. O.	14	28 00	42 00	14 00	50
Wid. F. Borland	88 Annette, N. O.	14	140 00	210 00	70 00	50
Mrs. A. Walzer	2506 Melpomene, N. O.	14	280 00	420 00	140 00	50
John Ringel	547 Magazine, N. O.	14	140 00	210 00	70 00	50
John Ringel	547 Magazine, N. O.	14	140 00	210 00	70 00	50
Miss Fannie B. LeNeve	88 Annette, N. O.	14	56 00	84 00	28 00	50
J. H. Conniff	44 Perdido, N. O.	14	280 00	420 00	140 00	50
Mrs. H. Osterly	Oak & Cambronne, N. O	14	700 00	1050 00	350 00	50
E. Wilson	198 Basin, N. O.	14	84 00	126 00	42 00	50
J. R. Sherwood	1038 St. Charles, N. O.	14	28 00	42 00	14 00	50
Chas. Bothner	2926 Chippewa, N. O.	14	56 00	84 00	28 00	50
G. Leonard	2205 Magazine, N. O.	14	140 00	210 00	70 00	50
J. M. Gerde	1909 Jackson, N. O.	14	280 00	420 00	140 00	50
J. C. Hackney	Ensley, Ala.	14	28 00	42 00	14 00	50
Mrs. S. M. Wetzel	3310 Camp, N. O.	14	28 00	42 00	14 00	50
Jos. Barangue	3 Ursuline, N. O.	14	140 00	210 00	70 00	50
A. Dagoret	Bourbon, N. O.	14	140 00	210 00	70 00	50
Chas. Schaefers	2205 Magazine, N. O.	14	140 00	210 00	70 00	50
Henry Welsch	647 Magazine, N. O.	14	56 00	84 00	28 00	50
A. R. Edbrooke	1403 Terpsichore, N. O.	14	140 00	210 00	70 00	50
Geo. J. Muller	610 Bienville, N. O.	14	28 00	42 00	14 00	50
D. J. Dunn	70 Camp, N. O.	14	56 00	84 00	28 00	50
E. A. Stanford	Morris Building, N. O.	14	140 00	210 00	70 00	50
John Miller	707 Common, N. O.	14	56 00	84 00	28 00	50
Thomas King	1532 Gasquet, N. O.	14	28 00	42 00	14 00	50
P. J. King	1532 Gasquet, N. O.	14	84 00	126 00	42 00	50
Aug. J. Claverie	Arabi, P. O.	14	140 00	210 00	70 00	50
C. Fohn	651 Tonti, N. O.	14	140 00	210 00	70 00	50
G. H. Schulhoefer	Canal & Dauphine, N.O	14	140 00	210 00	70 00	50
A. Borman	816 S. Rampart, N. O.	13	130 00	195 00	65 00	50
Geo. A. Schopp	1030 Louisiana ave, N.O	13	260 00	390 00	130 00	50
Joe Brunning	West End, N. O.	13	130 00	195 00	65 00	50
Mrs. G. A. Manthey	Rampart & S. Fr., N. O	13	130 00	195 00	65 00	50
F. A. Moths	New Orleans, La.	13	26 00	39 00	13 00	50
Geo. McNulty, Jr., c.	800 Camp, N. O.	13	52 00	78 00	26 00	50
H. W. Fowler	Preston & Stauffer, N.O	13	26 00	39 00	13 00	50
			5878 00	8817 00	2939 00	50%

POOR COPY

REDEMPTION No. 19.
OCTOBER 10, 1896.

NAME OF HOLDER.	ADDRESS.	No. of Months Interest	Amount Paid by Holder.	Amount Rec'd By Holder.	PROFIT	
					Amt.	Per Ct
H. W. Fowler	Preston & Stauffer, N O	14	28 00	42 00	14 00	50
Thos. J. Brennan	1317 St. Thomas, N. O.	14	140 00	210 00	70 00	50
B. E. Randall	Birmingham, Ala.	14	140 00	210 00	70 00	50
Mrs E. Fischer	1019 Baronne, N. O	14	28 00	42 00	14 00	50
G. A. Manthy	Rampart & St. Ferd, NO	14	140 00	210 00	70 00	50
J. Steckler	520 Gravier, N. O.	14	28 00	42 00	14 00	50
P. O. Fowler	Preston & Stauffer, N O	14	56 00	84 00	28 00	50
Emily Spaar	Gravier & S. Peters, NO	14	28 00	42 00	14 00	50
Lydia Spaar	Gravier & S. Peters, NO	14	28 00	42 00	14 00	50
Albert Spaar	Gravier & S. Peters, NO	14	28 00	42 00	14 00	50
Gab Dulac	162 Carondelet. N. O.	14	140 00	210 00	70 00	50
L. Dupre	1426 Orleans, N. O	14	28 00	42 00	14 00	50
E. E. Moise	19 Commercial P'l, N.O	14	28 00	42 00	14 00	50
Robt. Callaghan	76 Felicity, N. O.	14	28 00	42 00	14 00	50
Jno. M. Callaghan	76 Felicity, N. O.	14	28 00	42 00	14 00	50
L. W. Koff-key	Manson Bros, N. O	14	84 00	126 00	42 00	50
Bernard Bruenn	128 Carondelet, N. O.	14	140 00	210 00	70 00	50
Miss E. Kraemer	214 Carondelet, N. O.	14	28 00	42 00	14 00	50
Gussie Andrews	2023 Baronne, N. O	14	28 00	42 00	14 00	50
Mrs. A. Cronan	2023 Cleveland, N. O.	14	28 00	42 00	14 00	50
P. O. Fowler	Preston & Stauffer, N O	14	28 00	42 00	14 00	50
Robt. Lynd	1823 Annunciation, NO	14	28 00	42 00	14 00	50
Hy. Ziegler	522 Washington, N. O.	14	28 00	42 00	14 00	50
Jno. Drevar	25 Pleasant, N. O	14	28 00	42 00	14 00	50
Q. D. Kane	1107 Tchoupitoulas, NO	14	140 00	210 00	70 00	50
W. McVicar	726 Julia, N. O.	14	28 00	42 00	14 00	50
Miss E. Kursheedt	1509 Prytania, N. O.	14	28 00	42 00	14 00	50
Miss M. Kursheedt	1509 Prytania, N. O	14	28 00	42 00	14 00	50
Theo. Herr	917 Antonine, N. O	14	84 00	126 00	42 00	50
P. O. Fowler	Preston & Stauffer, N O	14	56 00	84 00	28 00	50
Jno. Breen	1 Jackson, N. O.	14	28 00	42 00	14 00	50
Fred. Adolph	606 Commercial P'l, NO	14	28 00	42 00	14 00	50
W. P. McCall	3129 Magazine, N. O.	14	140 00	210 00	70 00	50
Jos. Gonsenheim	Box 1790, N. O.	14	168 00	252 00	84 00	50
P. C. Burg	1832 Second, N. O.	14	140 00	210 00	70 00	50
Bernard Kern	87 Bouny, Algiers	14	28 00	42 00	14 00	50
E. J. Maginnis	1679 So. Peters, N. O.	14	56 00	84 00	28 00	50
Mrs. M. LeNeve	88 Annette, N. O.	14	84 00	126 00	42 00	50
Mrs. C. Schillang	1024 Peniston, N. O.	14	112 00	168 00	56 00	50
M Bernhard	New Orleans, La	14	140 00	210 00	70 00	50
Mrs. Katie Becker	Josephine & Lib'y, N O	14	140 00	210 00	70 00	50
Aug. Duprat	Peters & Conti, N. O.	14	28 00	42 00	14 00	50
Aug. Duprat	Peters & Conti, N. O.	14	28 00	42 00	14 00	50
M. H. May	Selma, Ala	14	28 00	42 00	14 00	50
M. H. May	Selma, Ala	14	28 00	42 00	14 00	50
W. McCubbins	3220 St. Thomas, N. O	14	28 00	42 00	14 00	50
Otto Roemer	3111 Tchoupitoulas, NO	14	56 00	84 00	28 00	50
Jos. Gregory	2 Jackson ave, N. O	14	56 00	84 00	28 00	50
S. J. Tennant	Hansell & Bros, N. O.	14	56 00	84 00	28 00	50
Geo. Grant	732 Aline, N. O.	14	280 00	420 00	140 00	50
J. Regan	1128 Annunciation, NO	14	28 00	42 00	14 00	50
Jno. Drevar, Jr	25 Pleasant, N. O.	14	28 00	42 00	14 00	50
F. H. G. Fry	139 Gravier, N. O.	14	140 00	210 00	70 00	50
Rasch Bros	Decatur & N. Peters, NO	14	28 00	42 00	14 00	50

15253

366i

OCTOBER 10, 1896.—[Continued.]

NAME OF HOLDER.	ADDRESS.	No. of Months in force	Amount Paid by Holder.	Amount Rec'd by Holder.	PROFIT	
					Amt	Per Ct.
M. Walle	2626 Orleans, N. O.	14	28 00	42 00	14 00	50
W. H Johnson	1127 Tchoupitoulas,NO	14	28 00	42 00	14 00	50
Mrs. J. Brandner	410½ St. Louis, N. O.	14	140 00	210 00	70 00	50
Wm. H. Heyl	44 N. Rampart, N. O.	14	140 00	210 00	70 00	50
Ed. Maher,	626 Fourth, N. O	14	28 00	42 00	14 00	50
Alice O'Hara	918 Calliope, N. O	14	28 00	42 00	14 00	50
Frank Lamothe	23 St. Charles, N. O	14	140 00	210 00	70 00	50
Mrs. J. Brandner	410½ St. Louis, N. O.	14	28 00	42 00	14 00	50
Geo. W. Dinkel	516 Conti, N. O	14	28 00	42 00	14 00	50
Alice O'Hara	918 Calliope, N. O.	14	28 00	42 00	14 00	50
Leon L. Schwartz	135 Canal, N. O.	14	140 00	210 00	70 00	50
E. G. Grube	130 Caroudelet, N. O.	14	84 00	126 00	42 00	50
Albert Fraenkel	36 Bourbon, N. O.	14	56 00	84 00	28 00	50
Miss L. Roques	2012 Burgundy, N. O.	14	28 00	42 00	14 00	50
Mrs. A. Mendicla	811 Mandeville, N. O.	14	28 00	42 00	14 00	50
F. M. Metraud	2012 Burgundy, N. O.	14	28 00	42 00	14 00	50
W. T. Newton	732 Aline, N. O.	14	28 00	42 00	14 00	50
Jos. Sheppard	Pensacola, Fla.	14	56 00	84 00	28 00	50
J. D. Wilkins	Pensacola, Fla.	14	56 00	84 00	28 00	50
Jno. Robinson	545 Third, N. O.	14	84 00	126 00	42 00	50
W. L. Feehan	263 St. Mary, N. O.	14	28 00	42 00	14 00	50
M. Hackett	87 Bouny, N. O.	14	28 00	42 00	14 00	50
Mrs. E. B. Shotwell	Bayou Sara. La.	14	112 00	168 00	56 00	50
F. T. Ople	301 Exchange, N. O.	14	28 00	42 00	14 00	50
W. H. Kincaide	932 Aline, N. O.	14	28 00	42 00	14 00	50
Wm. C. Kincaide	932 Aline, N. O.	14	28 00	42 00	14 00	50
Lillian B. Kincaide	932 Aline, N. O.	14	28 00	42 00	14 00	50
Chas. R. Kincaide	932 Aline, N. O.	14	28 00	42 00	14 00	50
Mrs. C. B. Kincaide	932 Aline, N. O.	14	28 00	42 00	14 00	50
J. H. Griffing	912 Camp, N. O.	14	56 00	84 00	28 00	50
J. H. Smith	New Orleans, La.	14	84 00	126 00	42 00	50
A. Barroso	1001 Canal, N. O.	14	28 00	42 00	14 00	50
Louis Burk	1001 Canal, N. O.	14	140 00	210 00	70 00	50
Miss T. S. Tyler	1106 Napoleon ave,N O	14	28 00	42 00	14 00	50
C. T. Tyler	1106 Napoleon ave,N O	14	28 00	42 00	14 00	50
Mrs. M. P. Tyler	1106 Napoleon ave,N O	14	56 00	84 00	28 00	50
Miss L. Chaufrau	1032 Bourbon, N. O.	14	28 00	42 00	14 00	50
Mrs. M. Ziegler	532 Washington, N. O.	14	28 00	42 00	14 00	50
Miss A. McLean	New Orleans, La.	14	56 00	84 00	28 00	50
Miss E McLeod	New Orleans, La.	14	56 00	84 00	28 00	50
A. W. Simpson	Box 934, N. O.	14	56 00	84 00	28 00	50
Mrs J. Mears	1629 Clio, N. O.	14	28 00	42 00	14 00	50
Mrs. M. Rice	Baronne & Thalia, N O	14	28 00	42 00	14 00	50
Miss L. Lee	C. W. Exchange, N. O	14	28 00	42 00	14 00	50
Mrs. F. J. Hardon	139 Chartres, N. O.	14	140 00	210 00	70 00	50
P. F. Pescud	818 Gravier, N. O.	14	280 00	420 00	140 00	50
A. Boesch	2630 Urquhardt, N. O.	14	140 00	210 00	70 00	50
A. C. Becker	New Orleans, La.	14	56 00	84 00	28 00	50
Frank Wessing	Annunciation&Har,N C	13	26 00	39 00	13 00	50
Alice M. Harte	Sixth street, N. O.	13	26 00	39 00	13 00	50
			6492 00	9738 00	3246 00	50%

REDEMPTION No. 20.
NOVEMBER 10, 1896.

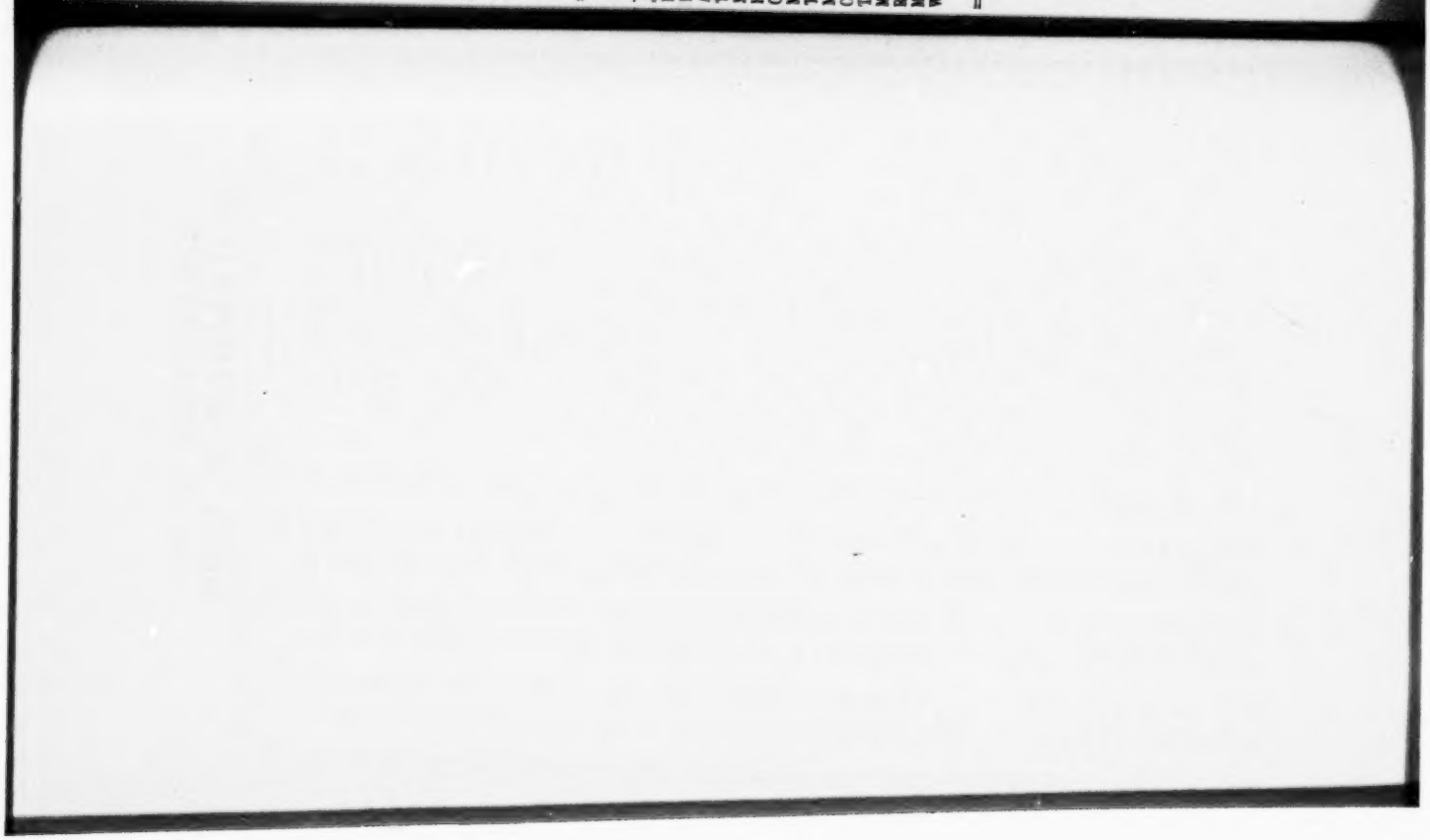
NAME OF HOLDER.	ADDRESS.	No. of Months in force	Amount Paid by Holder.	Amount Rec'd By Holder.	PROFIT	
					Amt.	Per Ct
Miss A. M. Harte	Sixth Street	14	168 00	252 00	84 00	50
A. Helfrich	1414 Clara, N. O	14	140 00	210 00	70 00	50
P. R. Rice	Rice, Born & Co., N.O.	14	140 00	210 00	70 00	50
R. R. Sharkey	196 Canal, N. O	14	140 00	210 00	70 00	50
Miss M. W. Ryan,	Montgomery, Ala	14	28 00	42 00	14 00	50
R. J. Hutchinson	Tricou & Pontalba, NO	14	28 00	42 00	14 00	50
J. Barnes	935 Canal, N. O	14	56 00	84 00	28 00	50
R. G. Hart	1100 Liberty, N. O	14	28 00	42 00	14 00	50
W. P. Koepfler	1815 Erato, N. O	14	56 00	84 00	28 00	50
H. Kuhner	213 Chestnut, N. O	14	28 00	42 00	14 00	50
T. Kuhner	213 Chestnut, N. O	14	28 00	42 00	14 00	50
J. A. Hatlestad	Moss Point, Miss	14	84 00	126 00	42 00	50
W. S. Fassman	New Orleans, La	14	84 00	126 00	42 00	50
W. S. Doron	Montgomery, Ala	14	56 00	84 00	28 00	50
Rafael Jene	New Orleans, La	14	140 00	210 00	70 00	50
A. Gutierrez	Bienville & Clarke, NO	14	28 00	42 00	14 00	50
A. E. Heyl	196 N. Villere, N. O	14	28 00	42 00	14 00	50
Miss B. Poirier	1037 Bourbon, N. O	14	28 00	42 00	14 00	50
J. Lucas	Orange, Texas	14	140 00	210 00	70 00	50
M. Lucas	Orange, Texas	14	140 00	210 00	70 00	50
G. J. Boulet	3722 Constance, N. O	14	28 00	42 00	14 00	50
F. Petagna	1100 Liberty, N. O	14	140 00	210 00	70 00	50
R. G. Hart	1100 Liberty, N. O	14	28 00	42 00	14 00	50
E. Dore	Marengo & Tchop't, NO	14	56 00	84 00	28 00	50
C. A. Baud	624 Frenchman, N. O	14	56 00	84 00	28 00	50
Miss I. M. Baud	624 Frenchman, N. O	14	28 00	42 00	14 00	50
C. Chaufrou	1032 Bourbon, N. O	14	56 00	84 00	28 00	50
Mrs. A. Mills	3011 Annunciation, N.O	14	56 00	84 00	28 00	50
H. Meridan	1616 St. Anthony, N. O	14	28 00	42 00	14 00	50
C. R. Mayer	1032 St. Charles, N. O	14	56 00	84 00	28 00	50
E. Claverie	920 Bourbon, N. O	14	140 00	210 00	70 00	50
Mrs. Esparros	4033 Tchoupitoulas, NO	14	84 00	126 00	42 00	50
P. Kissinger	Poydras & Fulton, N.O	14	140 00	210 00	70 00	50
R. Werner	124 Chartres, N. O	14	700 00	1050 00	350 00	50
Miss E. Gugenheim	Orange, Texas	14	28 00	42 00	14 00	50
Miss H. Gugenheim	Orange, Texas	14	28 00	42 00	14 00	50
P. W. Mulqueeny	570 St. Claude, N. O	14	28 00	42 00	14 00	50
J. D. Moulin	2506 Burgundy, N. O	14	28 00	42 00	14 00	50
A. D. Heinemann	Mag'ne & St. And'w, NO	14	28 00	42 00	14 00	50
Miss D. C. Hebert	Berwick, La	14	28 00	42 00	14 00	50
M. M. Fortins	Berwick, La	14	28 00	42 00	14 00	50
M. Coguenheim	Berwick, La	14	28 00	42 00	14 00	50
Mrs. M. M. Fortins	Berwick, La	14	28 00	42 00	14 00	50
Mrs. J. Spellman	614 St. Rock, N. O	14	28 00	42 00	14 00	50
E. A. Kerner	814 Phillip, N. O	14	28 00	42 00	14 00	50
Mrs. S. Disharoun	Carondelet & Cadiz, NO	14	28 00	42 00	14 00	50
S. H. Coleman	Berwick, La	14	56 00	84 00	28 00	50
Miss B. Jacobs	Berwick, La	14	28 00	42 00	14 00	50
Mrs. A. Rice	Constance & Bord'x, NO	14	56 00	84 00	28 00	50
Miss E McLeod	Poydras Asylum, N. O	14	28 00	42 00	14 00	50
E. Fox	220 Oliver, N. O	14	28 00	42 00	14 00	50
R. Dazet	839 Decatur, N. O	14	140 00	210 00	70 00	50
Mrs. A. Leopold	Berwick, La	14	28 00	42 00	14 00	50

NOVEMBER 10, 1896.—[Continued.]

NAME OF HOLDER.	ADDRESS.	No. of Months in force	Amount Paid by Holder.	Amount Rec'd by Holder.	PROFIT	
					Amt	Per Ct.
C. R. Vigo	1419 Gasquet, N. O	14	28 00	42 00	14 00	50
P. Albert	424 Miro, N. O	14	28 00	42 00	14 00	50
J. M. Brossart	24 Orleans, N. O	14	28 00	42 00	14 00	50
Mrs. S. M. Wetzel	3310 Camp, N O	14	28 00	42 00	14 00	50
J. Matthews	Orange, Texas	14	140 00	210 00	70 00	50
W. Frank	1110 Annunciation, NO	13	52 00	78 00	26 00	50
S. N. Kuhen	1457 Magazine, N. O	13	26 00	39 00	13 00	50
Miss S. Taylor	Dryades & Third, N. O	13	130 00	195 00	65 00	50
H. Dering	536 Chartres, N. O	13	26 00	39 00	13 00	50
P. Nabara	Camp & Poydras, N. O.	13	130 00	195 00	65 00	50
J. M. Estrade	162 Carondelet, N. O	13	52 00	78 00	26 00	50
Miss S. Dazet	162 Carondelet, N. O	13	78 00	117 00	39 00	50
H. Dering	536 Chartres N. O	13	26 00	39 00	13 00	50
Miss F. M. Funke	Baton Rouge, La	13	26 00	39 00	13 00	50
J. Maguire	Baton Rouge. La	13	26 00	39 00	13 00	50
Miss A. Haber	Baton Rouge, La	13	26 00	39 00	13 00	50
Lazard Blum	Baton Rouge, La	13	78 00	117 00	39 00	50
H. H. Wolfe	Baton Rouge, La	13	52 00	78 00	26 00	50
E. A. Pike	Baton Rouge, La	13	130 00	195 00	65 00	50
B. A. Forchelmer	Baton Rouge, La	13	78 00	117 00	39 00	50
W. N. McFarland	Baton Rouge, La	13	390 00	585 00	195 00	50
J. T. Lanier	Baton Rouge, La	13	26 00	39 00	13 00	50
L. Mayer	Baton Rouge, La	13	130 00	195 00	65 00	50
Miss D. Seller	3621 Magazine, N. O	13	130 00	195 00	65 00	50
M. F. Budinski	3206 Magazine, N. O	13	26 00	39 00	13 00	50
Mrs. M. Toscani	3206 Magazine, N. O	13	52 00	78 00	26 00	50
Miss M. T. Seller	3621 Magazine, N. O	13	52 00	78 00	26 00	50
Miss L. Seller	3621 Magazine, N. O	13	52 00	78 00	26 00	50
E. Czedessns	Baton Rouge, La	13	26 00	39 00	13 00	50
C. L. Ross	Baton Rouge, La	13	26 00	39 00	13 00	50
N. J. Gass	Baton Rouge, La	13	156 00	234 00	78 00	50
N. O. Wax	Baton Rouge, La	13	78 00	117 00	39 00	50
Mrs. C. E. Felps	Baton Rouge, La	13	26 00	39 00	13 00	50
L. Diamond	Baton Rouge, La	13	26 00	39 00	13 00	50
A. Doherty	Baton Rouge, La	13	52 00	78 00	26 00	50
R. Mayer	Baton Rouge, La	13	26 00	39 00	13 00	50
W. Camors	Baton Rouge, La	13	26 00	39 00	13 00	50
L. Hasemann	23½ Dublin, N. O	13	52 00	78 00	26 00	50
Miss E. C. Adams	Baton Rouge, La	13	260 00	390 00	130 00	50
			6664 00	9996 00	3332 00	50%

REDEMPTION No. 21.
DECEMBER 10, 1896.

NAME OF HOLDER.	ADDRESS.	No. of Months in Force	Amount Paid by Holder.	Amount Rec'd By Holder.	PROFIT	
					Amt.	Per Ct
Miss E. C. Adams	Baton Rouge, La	14	140 00	210 00	70 00	50
T. S. Adams	Baton Rouge, La	14	140 00	210 00	70 00	50
W. P. Burden	Baton Rouge, La	14	56 00	84 00	28 00	50
O. A. Vidal	Baton Rouge, La	14	56 00	84 00	28 00	50
Rev. J. S. Moore	1727 Valence, N. O	14	84 00	126 00	42 00	50
Mrs. B. Ochsner	Berwick, La	14	28 00	42 00	14 00	50
F. F Thibodaux	Berwick, La	14	28 00	42 00	14 00	50
J. P. Wax	Baton Rouge, La	14	28 00	42 00	14 00	50
Mrs. L. Desmond	1628 S. Rampart, N. O.	14	56 00	84 00	28 00	50
Miss B. C. Emke	2139 S. Liberty, N. O	14	84 00	126 00	42 00	50
M. Marcus	1607 Orleans, N. O	14	28 00	42 00	14 00	50
Mrs. J. W. Wise	Notre Dame, N. O	14	56 00	84 00	28 00	50
M. F. Dunn	332 Camp, N. O	14	140 00	210 00	70 00	50
G. A. Wiegand	515 Poydras, N. O	14	560 00	840 00	280 00	50
A. Sauer	610 Montegut, N. O	14	28 00	42 00	14 00	50
Mrs. H. C. Angell	817 Julia, N. O	14	28 00	42 00	14 00	50
Miss C. McGuigin	Soule College, N. O	14	84 00	126 00	42 00	50
T. Frank	829 Canal, N. O	14	140 00	210 00	70 00	50
E. W. Soule	603 St. Charles, N. O	14	140 00	210 00	70 00	50
W. L. T. Rogerson	320 Carondelet, N. O	14	140 00	210 00	70 00	50
W. L. T. Rogerson	320 Carondelet, N. O	14	140 00	210 00	70 00	50
A. Dumser	103 Poydras, N. O	14	280 00	420 00	140 00	50
J. Fouert	1238 Camp, N. O	14	140 00	210 00	70 00	50
Mrs. L. McNeil	Peniston, N. O	14	56 00	84 00	28 00	50
A. J. Coburn	care Hansells, N. O	14	56 00	84 00	28 00	50
F. G. Hornberger	Royal, N. O	14	28 00	42 00	14 00	50
T. Owen	918 Burgundy, N. O	14	140 00	210 00	70 00	50
B. Coste	Dumaine&Decatur,N.O	14	140 00	210 00	70 00	50
J. Musticche	17 St. Philip, N. O	14	28 00	42 00	14 00	50
E. Meyer	1955 Lafayette, N. O	14	84 00	126 00	42 00	50
N. Mohr	524 Customhouse, N. O	14	56 00	84 00	28 00	50
P. Miller	80 Macardy, N. O	14	28 00	42 00	14 00	50
J. H. Stern	512 Canal, N. O	14	140 00	210 00	70 00	50
J. Gurtner	474 Aline, N. O	14	280 00	420 00	140 00	50
W. Y. Dunning	2000 Baronne, N. O	14	56 00	84 00	28 00	50
Miss K. Feldmann	3114 Magazine, N. O	14	28 00	42 00	14 00	50
G. Kohn	14 Carondelet, N. O	14	420 00	630 00	210 00	50
D. J. Dewees	Plaquemine, La	14	28 00	42 00	14 00	50
Mrs. M. E. Gowers	1563 Chippewa, N. O	14	140 00	210 00	70 00	50
C. F. Kirsch	Camp & Poydras, N. O.	14	56 00	84 00	28 00	50
F. Dameron	332 Camp, N. O	14	56 00	84 00	28 00	50
J. O. Tilden	Poydras & Camp, N. O.	14	84 00	126 00	42 00	50
G. A. Wagatha	Royal and Conti, N. O	14	28 00	42 00	14 00	50
D. Libermann	1003 Canal, N. O	14	140 00	210 00	70 00	50
Miss R. Kowalski	Plaquemine, La	14	28 00	42 00	14 00	50
Mrs. M. Lauer	2715 Annunciation, N. O	14	112 00	168 00	56 00	50
Miss E. Briel	2715 Annunciation, N. O	14	28 00	42 00	14 00	50
F. Querens, Jr	Box 905, N. O	14	280 00	420 00	140 00	50
Mrs. P. Fraenkel	218 Bourbon, N. O	14	84 00	126 00	42 00	50
Miss N. Fraenkel	218 Bourbon, N. O	14	56 00	84 00	28 00	50
M. M. Levy	French Market, N. O	14	28 00	42 00	14 00	50
S. H. March	L. L. & G. Bldg, N. O.	14	140 00	210 00	70 00	50
L. L. Stern	742 Union, N. O	14	140 00	210 00	70 00	50



366k

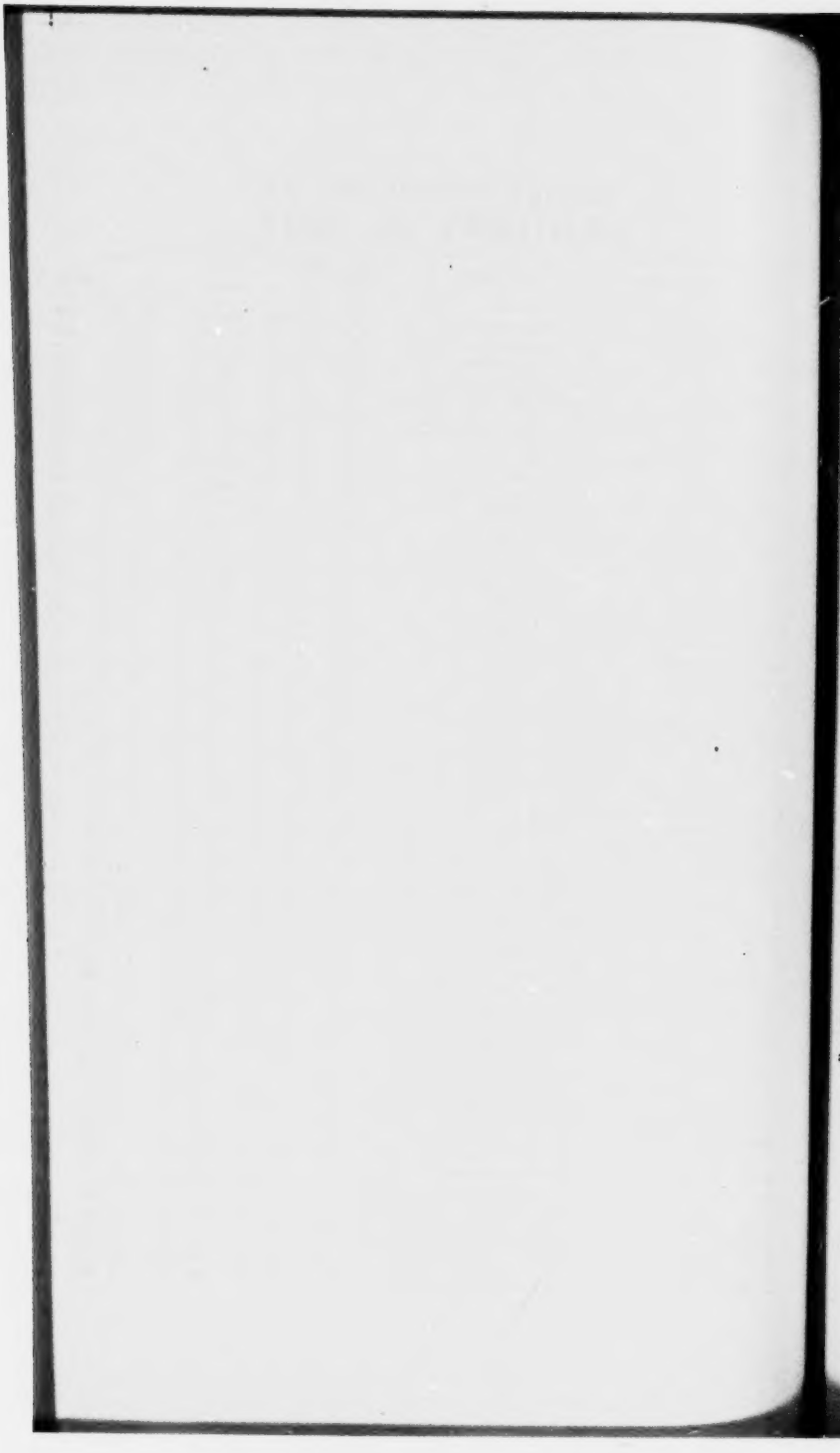
DECEMBER 10, 1896.—[Continued.]

NAME OF HOLDER.	ADDRESS.	No. of Months In Force	Amount Paid by Holder.	Amount Rec'd by Holder.	PROFIT	
					Amt	Per Ct.
J. D. Dunn	332 Camp, N. O.	14	140 00	210 00	70 00	50
Mrs. A Higgins	2057 Lafayette, N. O.	14	56 00	84 00	28 00	50
D. Bechac	Conti & Bourbon, N. O	14	84 00	126 00	42 00	50
A. O. Bechac	Conti & Bourbon, N. O	14	84 00	126 00	42 00	50
T. J. Finley	Nicholas Burke & Co, N.O	14	140 00	210 00	70 00	50
Mrs. J. Wetzel	1945 Gravier, N. O.	14	56 00	84 00	28 00	50
R. M. Fischer	Moss Point, Miss.	14	56 00	84 00	28 00	50
C. M. Fairley	Moss Point, Miss.	14	56 00	84 00	28 00	50
M. W. Hyde	Moss Point, Miss.	14	84 00	126 00	42 00	50
T. G. Spitzfaden	708 Union, N. O.	14	140 00	210 00	70 00	50
Mrs. E. Heffker	2119 Poydras, N. O.	14	56 00	84 00	28 00	50
C. T. Burkenstock	2038 Royal, N. O.	14	140 00	210 00	70 00	50
Theo. Roehl	4709 Prytania, N. O.	14	28 00	42 00	14 00	50
M. Braud	4709 Prytania, N. O.	14	56 00	84 00	28 00	50
Rev. A. Price	St. Joseph, Mo.	14	56 00	84 00	28 00	50
Mrs. C. Laundon	2206 Magnolia, N. O.	14	56 00	84 00	28 00	50
W. P. Gottschalk	108 Magazine, N. O.	13	78 00	117 00	39 00	50
			6938 00	10407 00	3469 00	50%

15258

REDEMPTION No. 22.
JANUARY 10, 1897.

NAME OF HOLDER.	ADDRESS.	No. of Months in Force	Amount Paid by Holder.	Amount Rec'd By Holder.	PROFIT	
					Amt.	Per Ct
W. P. Gottschalk	108 Magazine, N. O	14	336 00	504 00	168 00	50
G. B. Richard	616 Carondelet, N. O	14	140 00	210 00	70 00	50
Miss M. Felduer	3250 Magazine, N. O	14	420 00	630 00	210 00	50
A. J. Guernanovich	Royal & Toulouse, N. O	14	56 00	84 00	28 00	50
R. Macardby	Exchange Alley, N. O	14	28 00	42 00	14 00	50
Louise Guerre	78 Conti, N. O	14	56 00	84 00	28 00	50
A. H. Vorhaben	918 Julia, N. O	14	56 00	84 00	28 00	50
J. Ogden Pierson	Box. 45, N. O	14	56 00	84 00	28 00	50
Robert Aitken	110 Camp, N. O	14	140 00	210 00	70 00	50
Jas. H. Aitken	110 Camp, N. O	14	140 00	210 00	70 00	50
G. Leonard	649 Magazine, N. O	14	112 00	168 00	56 00	50
Mrs. B. Applegate	610 Julia, N. O	14	28 00	42 00	14 00	50
Miss Mary Farrell	104 Constance, N. O	14	28 00	42 00	14 00	50
Alex Decuers	45 Frenchman, N. O	14	140 00	210 00	70 00	50
Eugene Decuers	1215 Frenchman, N. O.	14	140 00	210 00	70 00	50
J. Gomes	7 Frenchman, N. O	14	140 00	210 00	70 00	50
Winona Lemley	1123 Howard, N. O	14	28 00	42 00	14 00	50
Weber Lemley	1123 Howard, N. O	14	28 00	42 00	14 00	50
Jno. A. McLean	826 Perdido, N. O	14	56 00	84 00	28 00	50
Godfrey Moore	1727 Valence, N. O	14	56 00	84 00	28 00	50
Rev. A. H. Noll	Edwardsville, Ill	14	28 00	42 00	14 00	50
Miss E. Sansum	4015 Prytania, N. O	14	28 00	42 00	14 00	50
Miss N. McMurchy	Baton Rouge, La	14	28 00	42 00	14 00	50
J. L. James, Jr	Baton Rouge, La	14	56 00	84 00	28 00	50
C. C. Gallup	Baton Rouge, La	14	56 00	84 00	28 00	50
G. C. Laughman	Baton Rouge, La	14	140 00	210 00	70 00	50
J. C. Camors	Baton Rouge, La	14	168 00	252 00	84 00	50
Miss B. Funke	Baton Rouge, La	14	28 00	42 00	14 00	50
G. F. D. Buerkle	618 St. Louis, N. O	14	140 00	210 00	70 00	50
Jos. F. Scheuermann	Com'n & Magazine, N.O	14	84 00	126 00	42 00	50
J. S. Stern	1122 Third, N. O	14	140 00	210 00	70 00	50
Mrs. H. Roehl	4709 Prytania, N. O	14	84 00	126 00	42 00	50
J. Uhalt	Gainnie&Magazine, N.O	14	84 00	126 00	42 00	50
W. W. Ulmer	9 Decatur, N. O	14	28 00	42 00	14 00	50
G. M. Leahy	512 Camp, N. O	14	140 00	210 00	70 00	50
S. A. Sheppers	Baton Rouge, La	14	28 00	42 00	14 00	50
Mrs. L. B. Knox	Baton Rouge, La	14	28 00	42 00	14 00	50
Mrs. C. M. Doherty	Baton Rouge, La	14	112 00	168 00	56 00	50
Miss L Walsh	Baton Rouge, La	14	28 00	42 00	14 00	50
Miss J. Fougerrouse	Baton Rouge, La	14	56 00	84 00	28 00	50
Miss E. Rodriquez	Plaquemine, La	14	28 00	42 00	14 00	50
H. Calre	Baton Rouge, La	14	84 00	126 00	42 00	50
C. C. Devall	Baton Rouge, La	14	56 00	84 00	28 00	50
Rev. J. W. Moore	1727 Valence, N. O	14	28 00	42 00	14 00	50
Miss A. M. Beals	Baton Rouge, La	14	140 00	210 00	70 00	50
T. P. Wilson	Baton Rouge, La	14	140 00	210 00	70 00	50
W. A. Gordon	523 Magazine, N. O	14	28 00	42 00	14 00	50
D. DeJan	57 Front, N. O	14	84 00	126 00	42 00	50
J. S. Ham	Baton Rouge, La	14	56 00	84 00	28 00	50
E. F. Wilck	Baton Rouge, La	14	84 00	126 00	42 00	50
A. E. Chaney	Baton Rouge, La	14	56 00	84 00	28 00	50
C J. Bloch	Baton Rouge, La	14	56 00	84 00	28 00	50
J Blum	Baton Rouge, La	14	56 00	84 00	28 00	50



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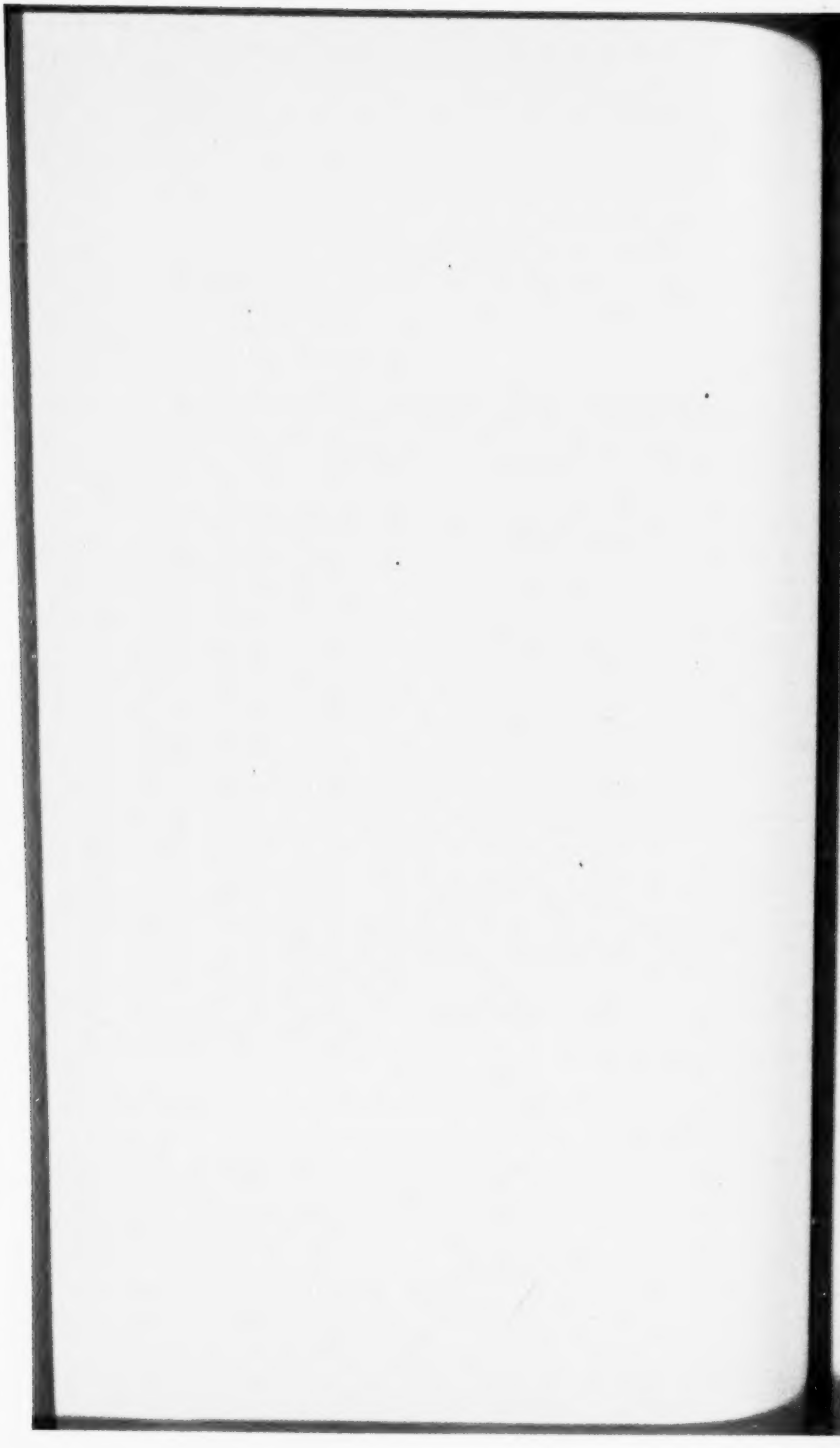
JANUARY 10, 1897.—[Continued.]

NAME OF HOLDER.	ADDRESS.	No. of Months Held	Amount Paid by Holder.	Amount Rec'd by Holder.	PROFI	
					Amt	Per Ct.
T. J. Buffington	Baton Rouge, La	14	140 00	210 00	70 00	50
E. K. Converse	2331 Constance, N. O	14	280 00	420 00	140 00	50
Mrs. J. Scarparo	1923 Villere, N. O	14	140 00	210 00	70 00	50
J. Jacquet	Esplanade car sta. N. O	14	56 00	84 00	28 00	50
G. S. Dodds	Hennen Bldg., N. O	14	280 00	420 00	140 00	50
R. Fisher	Girod&S Franklin,N.O	14	140 00	210 00	70 00	50
Ant. A. Piccaluga	St. Peter& Decatur,N.O	14	56 00	84 00	28 00	50
J. S. Benedic	Magazine & Com'n,N.O	14	56 00	84 00	28 00	50
Dr. W. F. McKee	1611 Dryades, N. O	14	84 00	126 00	42 00	50
H. W. Feldner	8472 Laurel, N. O	14	140 00	210 00	70 00	50
E. F. Plumer	402 N. Rampart, N. O	14	84 00	126 00	42 00	50
Miss V. A. Smith	Camp near Milan, N. O	14	84 00	126 00	42 00	50
Mrs. H. C. Angell	619 Julia, N. O	14	28 00	42 00	14 00	50
H. L. Nores	3208 Magazine, N. O	14	84 00	126 00	42 00	50
F. L. Howell	704 Carondelet, N. O	14	140 00	210 00	70 00	50
Mrs. J. W. Moore	1727 Valence, N. O	14	28 00	42 00	14 00	50
Mrs. Flavia C. Theriot.	1138 Eighth, N. O	14	84 00	126 00	42 00	50
Mrs. Flavia C. Theriot.	1138 Eighth, N. O	14	56 00	84 00	21 00	50
H. Piton	Bourbon & Conti, N. O	14	168 00	252 00	84 00	50
Mrs. J. Rossi	407 Bourbon, N. O	14	56 00	84 00	28 00	50
Q. Kohnke	1401 Terpsichore, N. O	14	56 00	84 00	28 00	50
Walter Lastrapes	1501 Sixth, N. O	14	28 00	42 00	14 00	50
Walter Lastrapes	1501 Sixth, N. O	14	28 00	42 00	14 00	50
Walter Lastrapes	1501 Sixth, N. O	14	28 00	42 00	14 00	50
Mrs. C. Reuter	Decatur&Ursulines,NO	14	84 00	126 00	42 00	50
P. F. Herwig	Hennen Bldg., N. O	14	280 00	420 00	140 00	50
J. McKinnon	Orange, Tex	14	140 00	210 00	70 00	50
H. C. F. Schneider	Eighth&Chippewa,N.O	14	56 00	84 00	28 00	50
			7448 00	11172 00	3724 00	50%



REDEMPTION No. 23.
FEBRUARY 10, 1897.

NAME OF HOLDER.	ADDRESS.	No. of Months in force	Amount Paid by Holder.	Amount Rec'd By Holder.	PROFIT	
					Amt.	Per Ct
H. C. F. Schneider	Eighth & Chippewa, NO	15	30 00	45 00	15 00	50
Miss A. A. McNally	Hennen Building, N. O	15	300 00	450 00	150 00	50
E. L. Stumpf	Rice, Born Co., N. O	15	90 00	135 00	45 00	50
R. P. Hyams	1538 St. Andrew, N. O	15	60 00	90 00	30 00	50
M. Berger	437 Camp, N. O	15	150 00	225 00	75 00	50
S. B. Daniel	213 N. Peters, N. O	15	150 00	225 00	75 00	50
Dr W. L. Stevenson	Canal & Bourbon, N. O	15	30 00	45 00	15 00	50
Miss M. Brand	4709 Prytania, N. O	15	60 00	90 00	30 00	50
T. Roehl	4709 Prytania, N. O	15	30 00	45 00	15 00	50
G. D. Donohue	2727 C.-House, N. O	15	150 00	225 00	75 00	50
Mrs. N. Clippen	115 Rochblave, N. O	15	30 00	45 00	15 00	50
Mrs. A. J. Weiss	Henry Clay & Pitt, N.O	15	150 00	225 00	75 00	50
C. J. Heingarten	2530 Howard ave, N. O	15	30 00	45 00	15 00	50
G. Heingarten	Delord & Magnolia, N.O	15	30 00	45 00	15 00	50
H. Wehrmann	935 St. Philip, N. O	15	150 00	225 00	75 00	50
M. Maumus	St. Louis & Royal, N.O	15	60 00	90 00	30 00	50
L. Franz	930 Girod, N. O	15	150 00	225 00	75 00	50
Rev. J. W. Moore	New Orleans, La	15	30 00	45 00	15 00	50
J. L. Schumann	2001 Canal, N. O	15	150 00	225 00	75 00	50
H. H. Ruch,	P. O. Box 666, N. O	15	150 00	225 00	75 00	50
S. Montgomery	1819 Euterpe, N. O	15	60 00	90 00	30 00	50
W. Baumann	3032 Laurel, N. O	15	60 00	90 00	30 00	50
W. Easton	New Orleans, La	15	150 00	225 00	75 00	50
R. Wild	3114 Magazine, N. O	15	30 00	45 00	15 00	50
Kleinpet Sisters	Plaquemine, La	15	30 00	45 00	15 00	50
Miss M. E. Mason	2009 Dauphine, N. O	15	60 00	90 00	30 00	50
Mrs. M. Dwyer	42 Perdido, N. O	15	60 00	90 00	30 00	50
S. E. Morais	2908 Magazine, N. O	15	150 00	225 00	75 00	50
H. Dares	Gentilly, N. O	15	60 00	90 00	30 00	50
W. Easton	New Orleans, La	15	150 00	225 00	75 00	50
Mrs. L. Frank	Natchez, Miss	15	90 00	135 00	45 00	50
B. Otillo	46 St. Bernard, N. O	14	56 00	84 00	28 00	50
B. Otillo	46 St. Bernard, N. O	14	112 00	168 00	56 00	50
W. Laughlin	828 Perdido, N. O	14	56 00	84 00	28 00	50
J. H. Conniff	828 Perdido, N. O	14	140 00	210 00	70 00	50
J. F. Carr	2000 Magazine, N. O	14	28 00	42 00	14 00	50
R. J. Ross	Martinez & Ross, N. O	14	140 00	210 00	70 00	50
C. McNally	Hennen Building, N. O	14	280 00	420 00	140 00	50
J. W. McDuff	New Orleans, La	14	28 00	42 00	14 00	50
J. J. Kuhner	2729 Prytania, N. O	14	140 00	210 00	70 00	50
M. Brewster	1724 Canal, N O	14	280 00	420 00	140 00	50
G. Moore	1727 Valence, N. O.	14	28 00	42 00	14 00	40
A. L. Soule	Soule College, N. O	14	84 00	126 00	42 00	50
V. D. Claverie	622 Dumaine, N. O	14	56 00	84 00	28 00	50
C. Kienschmidt, Jr	2852 Magazine, N. O	14	280 00	420 00	140 00	50
H. A. Ransom	826 Toledano, N. O	14	56 00	84 00	28 00	50
P. Blum	734 Common, N. O	14	140 00	210 00	70 00	50
F. B. Nunn	726 Poydras, N. O	14	140 00	210 00	70 00	50
G. P. Hayman	512 Camp, N. O	14	84 00	126 00	42 00	50
G. P. Hayman	512 Camp, N. N	14	56 00	84 00	28 00	50
Mrs. A. C. Stumpf	1632 Rampart, N. O	14	140 00	210 00	70 00	50
F. M. C. Stumpf	1632 Rampart, N. O	14	56 00	84 00	28 00	50
Miss L. J. Stumpf	1632 Rampart, N. O	14	56 00	84 00	28 00	50

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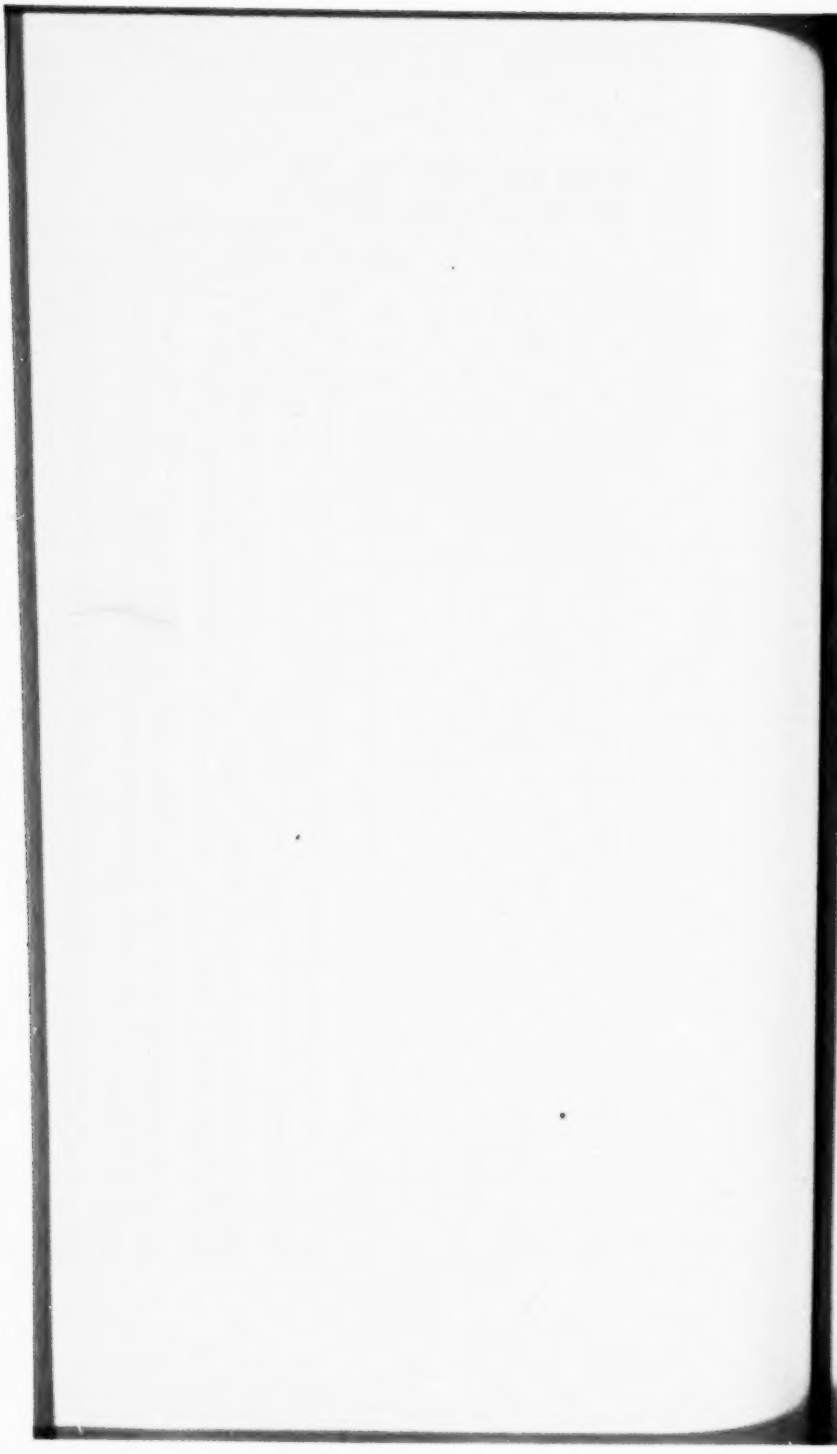
FEBRUARY 10, 1897.—[Continued.]

NAME OF HOLDER.	ADDRESS.	No. of Months in force	Amount Paid by Holder.	Amount Rec'd by Holder.	PROFIT.	
					Amt	Per Ct.
Miss I. W. Stumpf	1632 Rampart, N. O.	14	56 00	84 00	28 00	50
R. C. Bemis	1055 Camp, N. O.	14	140 00	210 00	70 00	50
J. Mailhes	524 Madison, N, O	14	56 00	84 00	28 00	50
J. Duthu	Robertson, N. O.	14	28 00	42 00	14 00	50
M. A. McLean	826 Perdido, N O	14	140 00	210 00	70 00	50
C. Schaefer	649 Magazine, N O.	14	84 00	126 00	42 00	50
C. Forstuer	3102 Magazine, N O.	14	84 00	126 00	42 00	50
N. Williams	616 Carondelet, N O	14	28 00	42 00	14 00	50
S. H. West	Wash'ton Laundry, NO	14	84 00	126 00	42 00	50
W. F Amar	6 Magazine, N O	14	56 00	84 00	28 00	50
Miss F. B. Schneider	Chippewa & Eighth, NO	14	28 00	42 00	14 00	50
A. F Bultman	2017 Magazine, N O	14	560 00	840 00	280 00	50
S. Levy	502 Camp, N O.	14	140 00	210 00	70 00	50
W. H. Hoffman	323 Tchoupitoulas, N.O	14	140 00	210 00	70 00	50
Miss J Michel	808 Camp, N O	14	28 00	42 00	14 00	50
Mrs. J Cachol	808 Camp, N. O.	14	112 00	168 00	56 00	50
Miss L Brulatour	Old No 118 Royal, N. O	14	280 00	420 00	140 00	50
O. W Ryan	7529 Ann, N O	14	140 00	210 00	70 00	50
I. Hernsheim	New Orleans, La	14	280 00	420 00	140 00	50
J. Lacoste	Milan Street, N. O.	14	56 00	84 00	28 00	50
			7836 00	11754 00	3918 00	50%

REDEMPTION No. 24.
MARCH 10, 1897.

NAME OF HOLDER.	ADDRESS.	No. of Months in force	Amount Paid by Holder.	Amount Rec'd By Holder.	PROFIT	
					Amt.	Per Ct
John Lacoste	Milan st., N. O	15	90 00	135 00	45 00	50
J. L. Watkins	1245 Magazine, N. O	15	60 00	90 00	30 00	50
F. Selest	626 Camp st., N. O	15	120 00	180 00	60 00	50
N. D. Hughes	1406 Tulane, N. O	15	60 00	90 00	30 00	50
W. C. Grant	178 St. Charles, N. O	15	150 00	225 00	75 00	50
S. B. Caldwell	Box 1828, N. O	15	750 00	1125 00	375 00	50
A. F. Bultman	2917 Magazine, N. O	15	150 00	225 00	75 00	50
Leonard Smith	2508 Howard, N. O	15	30 00	45 00	15 00	50
Leon Blanpain	129 Orleans, N. O	15	90 00	135 00	45 00	50
D. H. March	c'e H. &C. Newman,N.O	15	60 00	90 00	30 00	50
L. O. Flick	French Market, N. O	15	60 00	90 00	30 00	50
Mrs. R. Walss	1623 Polymnia, N. O	15	150 00	225 00	75 00	50
Mrs. J. W. Moore	New Orleans, La	15	30 00	45 00	15 00	50
Raymond Geneste	7 Decatur, N. O	15	30 00	45 00	15 00	50
Louis Geneste	7 Decatur, N. O	15	30 00	45 00	15 00	50
A. C. Langhoff	Fulton st., N. O	15	60 00	90 00	30 00	50
O. M. White	218 S. Peters, N. O	15	300 00	450 00	150 00	50
Geo. A. Villere	218 S. Peters, N. O	15	300 00	450 00	150 00	50
A. Eickmann	625 Chartres, N. O	15	750 00	1125 00	375 00	50
Mrs. Louis Alvarez	Mandeville, La	15	30 00	45 00	15 00	50
Mrs. Thomas Murray	1637 Erato, N. O	15	30 00	45 00	15 00	50
Mrs. J. Pike	Tangipahoa, La	15	30 00	45 00	15 00	50
Miss Stella Burbank	Tangipahoa, La	15	30 00	45 00	15 00	50
Mrs. S. W. Peel	New Orleans, La	15	30 00	45 00	15 00	50
P. F. Shields	2305 Carondelet, N. O	15	30 00	45 00	15 00	50
W. Johnston	1127 Tchoupitoulas,NO	15	30 00	45 00	15 00	50
Harvey H. Huth	Lopez & Dumaine, N. O	15	30 00	45 00	15 00	50
John L. Lavelle	426 Poydras, N. O	15	90 00	135 00	45 00	50
Tilden Price	2127 Magazine, N. O	15	120 00	180 00	60 00	50
J. G. Vanhorn	3308 Chestnut, N O	15	90 00	135 00	45 00	50
R. Flower, Jr	Schmidt & Ziegler, N. O	15	60 00	90 00	30 00	50
P. McGuire	Car'lton av & Bank,N.O	15	150 00	225 00	75 00	50
Mrs. A. S. Walss	1623 Polymnia, N. O	15	90 00	135 00	45 00	50
W. G. Smith	Baton Rouge, La	15	90 00	135 00	45 00	50
Joe Suermann, Jr	3100 Magazine, N. O	15	60 00	90 00	30 00	50
W. H. Drury	826 Perdido, N. O	15	30 00	45 00	15 00	50
A. Grouchy, Jr	Baton Rouge, La	15	120 00	180 00	60 00	50
Mrs. J. W. Moore	New Orleans, La	15	30 00	45 00	15 00	50
J. H. Duncan	Baton Rouge, La	15	90 00	135 00	45 00	50
A. P. Miller	Baton Rouge, La	15	90 00	135 00	45 00	50
A. Grouchy, Jr	Baton Rouge, La	15	30 00	45 00	15 00	50
J. Weindl	228 Chartres, N. O	15	60 00	90 00	30 00	50
A. Moroy	335 Royal, N. O	15	150 00	225 00	75 00	50
John Carambat	Laf. & Com., N. O	15	150 00	225 00	75 00	50
F. J. Ruth	521 St. Andrew, N. O	15	60 00	90 00	30 00	50
Louis Walle	120 N. Miro, N. O	15	30 00	45 00	15 00	50
Thos. Kelly	2010 Washington, N. O	15	30 00	45 00	15 00	50
O. C. Pluche	2713 N. Rampart, N. O	15	60 00	90 00	30 00	50
O. C. Pluche	2713 N. Rampart, N. O	15	30 00	45 00	15 00	50
O. C. Pluche	2713 N. Rampart, N. O	15	60 00	90 00	30 00	50
H. L. Tracy	Baton Rouge, La	15	30 00	45 00	15 00	50
Mrs. John Gass	Baton Rouge, La	15	150 00	225 00	75 00	50
Miss K. Gass	Baton Rouge, La	15	60 00	90 00	30 00	50



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MARCH 10, 1897.—[Continued.]

NAME OF HOLDER.	ADDRESS.	No. of Months in force	Amount Paid by Holder.	Amount Rec'd by Holder.	PROFIT.	
					Amt	Per Ct.
Mrs. J. Dominguez	1720 Elysian Fields,NO	15	60 00	90 00	30 00	50
M. W. Patton	2716 Camp, N. O	15	60 00	90 00	30 00	50
I. H. Burton	610 Julia, N. O	15	150 00	225 00	75 00	50
I. Simon	240 Chartres, N. O	15	30 00	45 00	15 00	50
Widow M. Lopes	240 Chartres, N. O	15	30 00	45 00	15 00	50
H. L. Menard	Esplanade Car Barn,NO	15	30 00	45 00	15 00	50
Bettie Robinson	1524 Carondelet, N. O	15	30 00	45 00	15 00	50
Daniel Singer	1000 Harmony, N. O	15	60 00	90 00	30 00	50
T. J. Marshall	841 Perdido, N. O	15	60 00	90 00	30 00	50
E. G. Summers	c'e Board of Health,NO	15	60 00	90 00	30 00	50
Henry Blum	1241 Decatur, N. O	15	60 00	90 00	30 00	50
Alice Gamotis	1457 N. Prieur, N. O	15	30 00	45 00	15 00	50
Jeanne Deynoodt	935 Barracks, N. O	15	30 00	45 00	15 00	50
Madame J. Bartaule	Camp & Poydras, N. O.	15	30 00	45 00	15 00	50
Bern. Abadie	1 Ursuline, N. O	15	150 00	225 00	75 00	50
Mabel R. Macardhy	124 Ex. Alley, N. O	15	30 00	45 00	15 00	50
Fred Kuhn	2119 Laurel, N. O	15	90 00	135 00	45 00	50
Mrs. J. Young	2124 Magazine, N. O	15	300 00	450 00	150 00	50
Mattie M. Mitchell	2922 Prytania, N. O	15	30 00	45 00	15 00	50
J. M. Carriere	727 Common, N. O	15	30 00	45 00	15 00	50
Mrs. M. Brown	319 Girod, N. O	15	30 00	45 00	15 00	50
L. O. Schwartz	Delord &Constance,NO	15	30 00	45 00	15 00	50
D. J. Campbell, Jr	417 Poydras, N. O	15	30 00	45 00	15 00	50
Fred Ameling	I. Lyons & Co., N. O	15	60 00	90 00	30 00	50
Mrs. Wm. Wild	3226 Magazine, N. O	15	150 00	225 00	75 00	50
T. J. McTague	2308 Tulane, N. O	15	60 00	90 00	30 00	50
Miss Beulah Caspar	1800 Carondelet, N. O	15	30 00	45 00	15 00	50
John Fourment	703 Dublin, N. O	15	150 00	225 00	75 00	50
Mrs. A. Junker	705 Dublin, N. O	15	60 00	90 00	30 00	50
C. B. Stroudback	821 Gravier, N. O	15	60 00	90 00	30 00	50
John Edgecomb	T. S. Pansy, N. O	15	30 00	45 00	15 00	50
Max Arnstein	New York, N. Y	15	150 00	225 00	75 00	50
Albert P. Schroeder	828 Canal, N. O	15	30 00	45 00	15 00	50
Joe Steckler	102 Gravier, N. O	15	60 00	90 00	30 00	50
A. Redon	314 Bourbon, N. O	15	60 00	90 00	30 00	50
Alf. H. Clements	608 Hennen Bldg, N. O	15	90 00	135 00	45 00	50
J. Verhoeff	Julia & Camp, N. O	15	30 00	45 00	15 00	50
Alida R. Lopes	828 Bourbon, N. O	15	30 00	45 00	15 00	50
Alf. H. Clements	608 Hennen Bldg, N. O	15	30 00	45 00	15 00	50
D. Simon	830 Bourbon, N. O	15	30 00	45 00	15 00	50
H. L. Burton	Hennen Bldg, N. O	15	330 00	495 00	165 00	50
			8400 00	12600 00	4200 00	50%

REDEMPTION No. 25.
APRIL 10, 1897.

NAME OF HOLDER.	ADDRESS.	No. of Months in force	Amount Paid by Holder.	Amount Rec'd By Holder.	PROFIT	
					Amt.	Per Ct
H. L. Burton	Hennen Bld'g, N. O	16	448 00	672 00	224 00	50
Mrs. J. Pichelonp	New Orleans, La	16	64 00	96 00	32 00	50
T. C. Chachere	New Orleans, La	16	32 00	48 00	16 00	50
R. B. Benton	Arabi P. O., La	16	160 00	240 00	80 00	50
Miss E. McLeod	Poydras Home, N O	16	32 00	48 00	16 00	50
L. Fabacher	314 Bourbon, N. O	16	64 00	96 00	32 00	50
B. Kearns	519 Roumy, N. O	16	64 00	96 00	32 00	50
Alex. Decuers	45 Frenchmen, N. O	16	160 00	240 00	80 00	50
Alice Sweeney	1001 Annunciation, N.O	16	32 00	48 00	16 00	50
Leo. H. Levy	Bay St. Louis, Miss	16	32 00	48 00	16 00	50
Gus. Lelnivar	2310 Felicity, N. O	16	32 00	48 00	16 00	50
Jas. Dawson	715 Girod, N. O.	16	32 00	48 00	16 00	50
A. B. Sanders	715 Girod, N. O	16	32 00	48 00	16 00	50
Jos. Tallon	463 St. Joseph, N. O	16	32 00	48 00	16 00	50
Mrs. Jas. Leonard	Spain & Royal, N. O	16	32 00	48 00	16 00	50
Mrs. Victoria Thurbert	Spain & Royal, N. O	16	32 00	48 00	16 00	50
R. Roger	147 Port, N. O	16	128 00	192 00	64 00	50
Jno. Stoll	Gretna, La	16	32 00	48 00	16 00	50
Miss Grace Lewis	1720 Canal, N. O	16	160 00	240 00	80 00	50
Jno. Engert	2431 First, N. O	16	64 00	96 00	32 00	50
W. H. Albertson, Jr	902 St. Charles, N. O	16	64 00	96 00	32 00	50
Capt. Fred. Schehr	632 Clouet, N. O	16	64 00	96 00	32 00	50
W. F. Dewhirst	813 Baronne, N. O	16	160 00	240 00	80 00	50
Wm. Graner	1739 Baronne, N. O	16	160 00	240 00	80 00	50
H. R. Carson	2805 Carondelet, N. O	16	64 00	96 00	32 00	50
G. J. Grau, Jr	826 Perdido, N. O	15	150 00	225 00	75 00	50
H. St. Amand, Jr	1915 Hospital, N. O	15	30 00	45 00	15 00	50
H. Marks	809 Poydras, N. O	15	30 00	45 00	15 00	50
P. J. Coburn	2021 Second, N, O	15	30 00	45 00	15 00	50
E. Simon	304 Chartres, N. O	15	30 00	45 00	15 00	50
Ida Bultmann	2917 Magazine, N. O	15	750 00	1125 00	375 00	50
H. E. Grace	424 Poydras, N. O	15	60 00	90 00	30 00	50
Mrs. A. S. Waiss	1623 Polymnia, N. O	15	660 00	990 00	330 00	50
Mrs. M. A. McLean	719 Common, N. O	15	150 00	225 00	75 00	50
David Jung	3216 Magazine, N. O	15	150 00	225 00	75 00	50
S. Jung	3216 Magazine, N. O	15	150 00	225 00	75 00	50
Wm. Wild	3226 Magazine, N. O	15	150 00	225 00	75 00	50
Fred. B. Nunn	726 Poydras, N. O	15	300 00	450 00	150 00	50
H. B. Byrne	301 Camp, N. O	15	300 0	450 00	150 00	50
Jno. Marquiez	3318 Laurel, N. O	15	30 00	45 00	15 00	50
M. H. O'Neill	310 Bourbon, N. O	15	30 00	45 00	15 00	50
Wm. Laughlin, Jr	P. O. Box 38, N. O	15	30 00	45 00	15 00	50
Jas. F. Murdy	L. & N. R. R., N. O	15	150 00	225 00	75 00	50
Jno. Warnke	1312 Antonine, N. O	15	30 00	45 00	15 00	50
S. S. Morse	618 St. Charles, N. O	15	30 00	45 00	15 00	50
Miss I. T. Barrus	1002 Annunciation, N.O	15	30 00	45 00	15 00	50
Maggie Iglesias	Josephine & Claib'e, NO	15	60 00	90 00	30 00	50
Maggie Iglesias	Josephine & Claib'e, NO	15	60 00	90 00	30 00	50
Lucien F. Salomon	124 Baronne, N. O	15	150 00	225 00	75 00	50
Jos. Uhalt	1131 Magazine, N. O	15	120 00	180 00	60 00	50
Celia Porteous	2922 Prytania, N. O	15	30 00	45 00	15 00	50
J. Barthe	1812 Magazine, N. O	15	30 00	45 00	15 00	50
Louise Alvarez	Mandeville, La	15	30 00	45 00	15 00	50

15265

366 o

APRIL 10, 1897.—[Continued.]

NAME OF HOLDER.	ADDRESS.	No. of Months in force	Amount Paid by Holder.	Amount Rec'd by Holder.	PROFIT.	
					Amt	Per Ct.
Marcelin Hestrest	Mandeville, La	15	60 00	90 00	30 00	50
Herman Levy	Mandeville, La	15	60 00	90 00	30 00	50
Isidore Levy	Mandeville, La	15	60 00	90 00	30 00	50
Simon Levy	Mandeville, La	15	60 00	90 00	30 00	50
R. B. Paine, M. D	Mandeville, La	15	120 00	180 00	60 00	50
Chas. A. David	Mandeville, La	15	60 00	90 00	30 00	50
T. J. Keller	Mandeville, La	15	30 00	45 00	15 00	50
J. L. Smith	Mandeville, La	15	30 00	45 00	15 00	50
Jno. West	Mandeville, La	15	60 00	90 00	30 00	50
J. W. Byrne	Macon, Ga	15	750 00	1125 00	375 00	50
Mrs. D. E. Golden	911 Elysian Fields, N.O	15	30 00	45 00	15 00	50
Jas. Band	Mandeville, La	15	90 00	135 00	45 00	50
Louis Mieg	c'e Morris McGraw, NO	15	150 00	225 00	75 00	50
Wm. Pfeiffer	123 Second, N. O	15	300 00	450 00	150 00	50
L. A. Hufft	222 S. Robertson, N. O	15	60 00	90 00	30 00	50
Sylvian Tujague	927 Second, N. O	15	300 00	450 00	150 00	50
Mrs. A. M. Curren	Front & Dufossat, N. O	15	120 00	180 00	60 00	50
Chas F. Jung	2921 Magazine, N. O	15	150 00	225 00	75 00	50
Francis Barrus	1002 Annunciation, N.O	15	30 00	45 00	15 00	50
Grace Barrus	1002 Annunciation, N.O	15	30 00	45 00	15 00	50
Bek. Johnson	442 Calliope, N. O	15	60 00	90 00	30 00	50
Mrs. F. Schehr	632 Clouet, N. O	15	60 00	90 00	30 00	50
Mrs. J. T. Seaward	3071 Chartres, N. O	15	60 00	90 00	30 00	50
Mrs. J. T. Seaward	3071 Chartres. N. O	15	30 00	45 00	15 00	50
O. H. Bartlette	702 Common, N. O	15	150 00	225 00	45 00	50
Miss J. Dewildrst	1712 S. Rampart, N. O	15	60 00	90 00	30 00	50
Miss L. Jung	3943 Magazine, N. O	15	30 00	90 00	30 00	50
			8956 00	13434 00	4478 00	50%

REDEMPTION No. 26.
MAY 10, 1897.

NAME OF HOLDER.	ADDRESS.	No. of Months in force	Amount Paid by Holder.	Amount Rec'd By Holder.	PROFIT	
					Amt.	Per Ct
Miss Lizzie Jung	3943 Magazine, N. O	16	96 00	144 00	48 00	50
Miss Katie Jung	3943 Magazine, N. O	16	64 00	96 00	32 00	50
Mrs. M. A. Johnstone	1813 Carondelet, N. O.	16	160 00	240 00	80 00	50
Mrs. Emelia Barthel	1546 Calhoun, N. O	16	160 00	240 00	80 00	50
E. Levy	3016 Camp, N. O	16	32 00	48 00	16 00	50
J. M. Sahuque	Bienville & Roman, NO	16	160 00	240 00	80 00	50
Mrs. E. M. Finlay	Charleston, Miss	16	96 00	144 00	48 00	50
C. Welch	First & Magnolia, N.O.	16	32 00	48 00	16 00	50
Mrs. Anu Bell	326 Girod, N. O	16	160 00	240 00	80 00	50
Mrs. F. B Wicks	St. Charles & Duf'st, NO	16	160 00	240 00	80 00	50
Mrs. J. B. Brewster	1724 Canal, N. O	16	160 00	240 00	80 00	50
Miss B. A. Kernaghan	214 S. Rampart, N. O	16	96 00	144 00	48 00	50
A. Oldstein	906 Poydras, N. O	16	160 00	240 00	80 00	50
Joseph Brown	326 Girod, N. O	16	32 00	48 00	16 00	50
John Brown	326 Girod, N. O	16	32 00	48 00	16 00	50
Mrs. B. Horan	326 Girod, N. O	16	160 00	240 00	80 00	50
Wm. Glynn	374 Derbigny, N. O	16	160 00	240 00	80 00	50
Armand Machardhy	124 Exchange, N. O	16	32 00	48 00	16 00	50
Richard Barthel	Calhoun & Hurst, N. O	16	160 00	240 00	80 00	50
Miss E. M. Johnson	2124 Camp, N. O	16	32 00	48 00	16 00	50
R. Vallon	New Orleans, La	16	160 00	240 00	80 00	50
E. A. Suarrez	430 Gravier, N. O	16	32 00	48 00	16 00	50
E. A. Suarrez	430 Gravier, N. O	16	32 00	48 00	16 00	50
E. L. Jones	1004 Poydras, N. O	16	160 00	240 00	80 00	50
C. Papiul	43 Baronne, N. O	16	160 00	240 00	80 00	50
J G. Blanchard	Box 1755, N. O	16	320 00	480 00	160 00	50
D. J. Campbell	New Orleans, La	16	128 00	192 00	64 00	50
J. Domingues	308 Elysian Fields, NO	16	96 00	144 00	48 00	50
E. L. Roseubaum	1110 Decatur, N. O	16	192 00	288 00	96 00	50
Mrs. John G. Doyle	3605 Saratoga, N. O	16	64 00	96 00	32 00	50
Mrs. M. Gallagher	918 Calliope, N. O	16	64 00	96 00	32 00	50
G. Gast	425 St. Charles, N. O	16	160 00	240 00	80 00	50
M. L. Foster	49 Perdido, N. O	16	320 00	480 00	160 00	50
Mrs. G. H. Bernos	Box 330, N. O	16	64 00	96 00	32 00	50
Geo. H. Bernos, Jr	Box 330, N. O	16	64 00	96 00	32 00	50
Florence Bernos	Box 330, N. O	16	64 00	96 00	32 00	50
Corinne Bernos	Box 330, N. O	16	64 00	96 00	32 00	50
Mathias Walle	2626 Orleans, N. O	16	32 00	48 00	16 00	50
Geo. Aldige	206 Common, N. O	16	160 00	240 00	80 00	50
Arthur G. Palfrey	At A. B. Griswold	16	320 00	480 00	160 00	50
Jus in Tujague	925 Third, N. O	16	160 00	240 00	80 00	50
S. J. DeLerno	932 Phillip, N. O	16	160 00	240 00	80 00	50
G. H. Claussen	V. Schwan Co, N. O	16	160 00	240 00	80 00	50
Rev. A. H. Noll	Edwardsville, Ill	16	32 00	48 00	16 00	50
E. S. Lamphier	Box 453, N. O	16	192 00	288 00	96 00	50
E. S. Lamphier	Box 453, N. O	16	64 00	96 00	32 00	50
G. T. Badeau	2307 Baronne, N. O	16	160 00	240 00	80 00	50
Mrs. F. S. Hausner	1828 Palmyra, N. O	16	96 00	144 00	48 00	50
Mrs. Jettie Stern	1114 Decatur, N. O	16	160 00	240 00	80 00	50
J. M. Abadie	Mandeville, La	16	32 00	48 00	16 00	50
J. Kramer	Richburg, Miss	16	160 00	240 00	80 00	50
E. Dubourg	Mandeville, La	16	32 00	48 00	16 00	50
Gus. Mertens	Mandeville, La	16	64 00	96 00	32 00	50

3664

MAY 10, 1897.—[Continued.]

NAME OF HOLDER.	ADDRESS.	No. of Months in force	Amount Paid by Holder.	Amount Rec'd by Holder.	PROFIT.	
					Amt	Per Ct.
Mrs. J. M. Favaron	Mandeville, La	16	32 00	48 00	16 00	50
Chas. Favaron	Mandeville, La	16	32 00	48 00	16 00	50
T. E. French	821 Union, N. O	16	480 00	720 00	240 00	50
Mrs. E. M. Finley	Charleston, Miss	16	96 00	144 00	48 00	50
Miss Abby R. Pike	Tangipahoa, La	16	64 00	96 00	32 00	50
Dan Levy	St. Francisville, La	16	64 00	96 00	32 00	50
J. R. Matthews	St. Francisville, La	16	32 00	48 00	16 00	50
Sam Dreyfus	St. Francisville, La	16	64 00	96 00	32 00	50
Joseph P. Newsham	St. Francisville, La	16	32 00	48 00	16 00	50
S. L. Percy	St. Francisville, La	16	32 00	48 00	16 00	50
Mrs. S. A. Calongue	1402 Bordeaux, N. O	16	320 00	480 00	160 00	50
Lou Hausner	Bienville&John'ton,NO	16	160 00	240 00	80 00	50
Mrs. F. S. Hausner	1828 Palmyra, N. O	16	64 00	96 00	32 00	50
Xavier Frey	Dauphine & Pauline,NO	16	32 00	48 00	16 00	50
Louis A. Frey	Stall 167 French M't,NO	16	64 00	96 00	32 00	50
Antoni Frey	Stall 39 French M't,NO	16	160 00	240 00	80 00	50
E. Dreifus	1409 Carondelet, N. O	16	160 00	240 00	80 00	50
J. D. Laughlin	Vicksburg, Miss	16	160 00	240 00	80 00	50
Henry Blum	1241 Decatur, N. O	16	96 00	144 00	48 00	50
J. D. Laughlin	Vicksburg, Miss	16	160 00	240 00	80 00	50
Miss Fannie Laughlin	Vicksburg, Miss	16	160 00	240. 00	80 00	50
J. C. LeBlanc, Jr	1207 Magazine, N. O	16	32 00	48 00	16 00	50
Jas. J. Ford	1835 Tulane ave, N. O	16	160 00	240 00	80 00	50
Mrs. H. J. Mitchell	4316 Prytania, N. O	16	160 00	240 00	80 00	50
John Jung, Jr	2208 Chartres, N. O	16	32 00	48 00	16 00	50
Ernest Jung	2208 Chartres, N. O	16	32 00	48 00	16 00	50
Mrs. J. Jung	2208 Chartres, N. O	16	96 00	144 00	48 00	50
Mrs. L. Gerde	2208 Chartres, N. O	16	64 00	96 00	32 00	50
Miss K. Lynch	2226 Chartres, N. O	16	32 00	48 00	16 00	50
Girod Peter Barr	1326 Girod, N. O	16	64 00	96 00	32 00	50
M. A. McLean	826 Perdido N. O	16	32 00	48 00	16 00	50
W. J. Bentley	821 Union, N. O	16	160 00	240 00	80 00	50
			9600 00	14400 00	4800 00	50%

15268

REDEMPTION No. 27.
JUNE 10, 1897.

NAME OF HOLDER.	ADDRESS.	No. of Months Held	Amount Paid by Holder.	Amount Rec'd By Holder.	PROFIT	
					Amt.	Per Ct
W. J. Bentley	821 Union, N. O	17	170 00	255 00	85 00	50
Mrs. H. J. Holle	641 Commercial Pl, N.O	17	170 00	255 00	85 00	50
H. J. Holle	641 Commercial Pl, N.O	17	170 00	255 00	85 00	50
P. F. Shields	2405 Carondelet, N. O.	17	34 00	51 00	17 00	50
J. Aldige	7 Varieties, N. O	17	102 00	153 00	51 00	50
Mrs. C. S. Reister	Orange, Tex	17	68 00	102 00	34 00	50
G. R. Reid	1211 S. Rampart, N. O.	17	34 00	51 00	17 00	50
J. J. Posey	Up'line & Ca'delet, N. O	17	68 00	102 00	34 00	50
Q. S. Johnstone	Mag. & Broadway, N.O	17	170 00	255 00	85 00	50
John Bundy	723 Port, N. O	17	170 00	255 00	85 00	50
E. R. Moses	St. Francisville, La	17	170 00	255 00	85 00	50
P. A. Simmons	Lutcher, La	17	34 00	51 00	17 00	50
J. S. Redon	314 Bourbon, N. O	17	34 00	51 00	17 00	50
Mrs. L. Everhart	732 Austerlitz, N. O	17	68 00	102 00	34 00	50
P. H. LeBlanc	1919 N. Rampart, N. O.	17	34 00	51 00	17 00	50
J. Aldige	7 Varieties Alley	17	68 00	102 00	34 00	50
Mrs. F C. Johnstone	Mag. & Broadway, N.O	17	170 00	255 00	85 00	50
H. Weidner	2833 Laurel, N. O	17	170 00	255 00	85 00	50
John Mahoney	1110 Howard, N. O	17	68 00	102 00	34 00	50
L. Banon	Cleveland & White, N.O	17	170 00	255 00	85 00	50
Wm. Arndt	Camp near Cadiz, N. O	17	102 00	153 00	51 00	50
John Bundy	723 Port, N. O	17	170 00	255 00	85 00	50
John Matthews	Matthews, P. O., Tex	17	170 00	255 00	85 00	50
Jas. G. Gehrkin	911 Poydras, N. O	17	102 00	153 00	51 00	50
Hy. Claverie	44 Dumaine, N. O	17	170 00	255 00	85 00	50
Mrs. R. W. Seay	Lutcher, La	17	68 00	102 00	34 00	50
J. P. LeDoux	Lutcher, La	17	68 00	102 00	34 00	50
W. J. Ferris	Lutcher, La	17	170 00	255 00	85 00	50
P. A. Simmons	Lutcher, La	17	136 00	204 00	68 00	50
Miss H. O. White	2825 Chestnut, N. O	17	136 00	204 00	68 00	50
S. M. Fucich	8 Dumaine, N. O	17	170 00	255 00	85 00	50
Jno. Glorisich	Esplanade & N. Pet. NO	17	102 00	153 00	51 00	50
Joe Frey	39 French Market, N.O	17	34 00	51 00	17 00	50
Mrs. J. Rossi	407 Bourbon, N. O	17	34 00	51 00	17 00	50
J. B. Pifourcat	815 Chartres, N. O	17	170 00	255 00	85 00	50
H. C. Fincke	2336 St. Peters, N. O	17	34 00	51 00	17 00	50
R. J. Browne	215 Chartres, N. O	17	170 00	255 00	85 00	50
J. M. Ducoursey	1805 Third, N. O	17	34 00	51 00	17 00	50
Mabel Schneider	3801 Magazine, N. O	17	34 00	51 00	17 00	50
Lillian Schneider	3801 Magazine, N. O	17	34 00	51 00	17 00	50
Josephine Schneider	3801 Magazine, N O	17	34 00	51 00	17 00	50
L. Schneider	3801 Magazine, N. O	17	34 00	51 00	17 00	50
Z. J. Schneider	3801 Magazine, N. O	17	34 00	51 00	17 00	50
L. C. Schneider	3801 Magazine, N. O	17	34 00	51 00	17 00	50
J. L. Tyland	Vicksburg, Miss	17	170 00	255 00	85 00	50
Jos. Hellen	So. Pac. Co., N. O	17	170 00	255 00	85 00	50
Mrs. Jno. Fleming	3609 Royal, N. O	17	102 00	153 00	51 00	50
Dr. P. A. Hymel	Lutcher, La	17	102 00	153 00	51 00	50
G. B. Pugh	Lutcher, La	17	68 00	102 00	34 00	50
Mrs. A. Carrington	1419 Amelia, N. O	17	34 00	51 00	17 00	50
M. M. Carney	214 S. Rampart, N. O	17	34 00	51 00	17 00	50
Mrs. T. A. T. Vaughan	Philadelphia, Pa	17	68 00	102 00	34 00	50
J. L. Wolf	801 Austerlitz, N. O	17	34 00	51 00	17 00	50

15269

366 q

JUNE 10, 1897.—[Continued.]

NAME OF HOLDER.	ADDRESS.	No. of Shares in Each Lot.	Amount Paid by Holder.	Amount Rec'd by Holder.	PROFIT	
					Amt	Per Ct.
J. L. Wolf	801 Austerlitz, N. O	17	34 00	51 00	17 00	50
J. L. Wolf	801 Austerlitz, N. O	17	34 00	51 00	17 00	50
J. L. Wolf	801 Austerlitz, N. O	17	34 00	51 00	17 00	50
J. L. Wolf	801 Austerlitz, N. O	17	34 00	51 00	17 00	50
P. P. Lagrange	Am. Sug. Ref., N. O.	17	34 00	51 00	17 00	50
P. P. Lagrange	Am. Sug. Ref., N. O.	17	34 00	51 00	17 00	50
Mrs. A. Rideau	2110 Ursuline, N. O	17	34 00	51 00	17 00	50
Mrs. L. Tujague	1703 S. Rampart, N. O	17	68 00	102 00	34 00	50
Geo. Evans	St. Peter & Chartres, NO	17	170 00	255 00	85 00	50
D. J. Manson	Tchoup. & Com., N. O.	17	34 00	51 00	17 00	50
M. B. Hellmann	512 Canal, N. O	17	68 00	102 00	34 00	50
Mrs. J. L. Tompkins	Lutcher, La	17	68 00	102 00	34 00	50
J. L. Tompkins	Lutcher, La	17	102 00	153 00	51 00	50
L. Macarthy	Exchange Alley, N. O.	17	34 00	51 00	17 00	50
Fred. Meyer	1924 Fourth, N. O.	17	34 00	51 00	17 00	50
Mrs. M. Beaver	2237 Third, N. O	17	34 00	51 00	17 00	50
Mrs. K. Beaver	2125 First, N. O	17	68 00	102 00	34 00	50
Mrs. E. Kilndworth	First & Carondelet, N.O	17	68 00	102 00	34 00	50
Carrie Freeland	2851 Carondelet, N. O.	17	68 00	102 00	34 00	50
A. Philips	830 S. Rampart, N. O	17	34 00	51 00	17 00	50
Mrs. L. C. Lovinier	1237 St. Andrew, N. O.	17	34 00	51 00	17 00	50
Mrs. L. A. Wailes	2128 Berlin, N. O	17	68 00	102 00	34 00	50
J. Cusimano	833 Decatur, N. O.	17	170 00	255 00	85 00	50
J. Videau	Jackson & Laurel, N. O	17	34 00	51 00	17 00	50
Mrs. J. Videau	Jackson & Laurel, N. O	17	34 00	51 00	17 00	50
Miss J. McHugh	700 Carondelet, N. O	17	34 00	51 00	17 00	50
Mrs. L. Kernan	2414 Annunciation, N.O	17	34 00	51 00	17 00	50
Miss M. Faust	407 Bourbon, N. O	17	34 00	51 00	17 00	50
A. H. Mears, Jr	Lutcher, La	17	170 00	255 00	85 00	50
Miss R. Watson	717 Peace, N. O	17	34 00	51 00	17 00	50
Miss B. Glaser	3206 Magazine, N. O	17	34 00	51 50	17 00	50
M. Hackett	87 Bouny, N. O	17	34 00	51 00	17 00	50
Wm. Chapman	Lutcher, La	17	34 00	51 00	17 00	50
Mrs. S. M. Wetzel	3310 Camp, N. O	17	34 00	51 00	17 00	50
T. Pollet	Lutcher, La	17	68 00	102 00	34 00	50
Jno. Carline	Lutcher, La	17	68 00	102 00	34 00	50
Miss B. Bailey	Charleston, Miss	17	102 00	153 00	51 00	50
E. Decuers	45 Frenchman, N. O	17	170 00	255 00	85 00	50
A. G. Mueller	932 Pleasant, N. O	17	68 00	102 00	34 00	50
G. A. Backhaus	1223 Decatur, N. O	17	68 00	102 00	34 00	50
Mrs. S. Duquesne	831 Dumaine, N. O	17	34 00	51 00	17 00	50
Miss C. Colum	831 Dumaine, N. O	17	34 00	51 00	17 00	50
M. Bornio, Jr	St. Charles & Gra'er, NO	17	34 00	51 00	17 00	50
J. Sill	2338 Howard, N. O	17	68 00	102 00	34 00	50
Jos. Twomey	301½ Lafayette, N. O	17	102 00	153 00	51 00	50
L. S. Graham	P. O. Box 611, N. O	17	340 00	510 00	170 00	50
Julius Winter	1001 Canal, N. O	17	510 00	765 00	255 00	50
Nathan Meyer	1001 Canal, N. O	17	170 00	255 00	85 00	50
H. Pollet	Pauline, La	17	34 00	51 00	17 00	50
Miss L. Lee	1018 St. Charles, N. O	17	170 00	255 00	85 00	50
Miss A. Brady	L. & N. office, N. O	16	64 00	96 00	32 00	50
J. C. Barry	1238 Annunciation, N.O	16	64 00	96 00	32 00	50
H. H. Fredrichs	927 Tchoupitoulas, N.O	16	800 00	1200 00	400 00	50
J. A. Salles	424 St. Charles, N. O	16	96 00	144 00	48 00	50
			10102 00	15153 00	5051 00	50%

State of Louisiana

v

A. O.[s] Debenture Redemption Company Limited.

P. 6

No. 56658

Civil District Court
Parish of Orleans
Filed January 31st 1899
(signed) P. J. Tournillon
Dy. Clerk.

3662

15271

2

367

NOVEMBER.

WALTER H. ROGERS, President. W. L. SAXON, Vice-President. J. P. WILLIAMS, Sec'ry. & Treasurer.
ROGERS & DODDS, General Attorneys.

THE NEW ORLEANS

Debenture Redemption Company

OF LOUISIANA, LIMITED.

General Offices, 200 Camp Street,

Corner Common.

TELEPHONE 1472. **NEW ORLEANS, LA.**

MONTHLY STATEMENT

OF REDEMPTIONS.

Incorporated October 1st., 1894.

Commenced Redemption April 10th, 1895

CAPITAL, - - $100,000

Capital Paid Up, - - - -	$ 50,000 00
Reserve Fund, - - - - -	88,447 92
Total, - - -	$138,447 92

DEPOSITORIES.

Louisiana National Bank,
Whitney National Bank,
New Orleans National Bank,
Hibernia National Bank.

15272

THE NEW ORLEANS
Debenture Redemption Co.,
OF LOUISIANA, LIMITED.

This company affords opportunites to the frugal for the investment of their savings, and advantages to the wealthy for the further accumulation of their surplus that are rarely met with, and which deservedly command their attention and consideration.

The volume of business already done justifies the belief that the system is amply qualified with the requirements of all financial successes—POPULAR FAVOR.

This company issues a contract or certificate of investment—a debenture—for which the investor pays $2.00 as a contribution to the Reserve Fund, and theresfter a monthly installment of $2.00 during the existence of the contract. These debentures are issued in numerical order, beginning with No. 1, and they are retired or paid off in the same order by the expenditure of a fixed percentage of the moneys received from monthly installments, the company guaranteeing to each debenture that it shall not pay more than seventy-two installments before reaching redemption. The return to the investor upon the retirement of his debentures is an amount equal to the sum of the monthly installments paid in, plus 50 per cent. additional. This return is guaranteed, and as the company is a capitalized corporation and not a mutual association, the fulfillment of its contracts is not dependent upon lapses or forfeitures, but positively provided for by its Reserve Fund and Capital Stock.

The business with us is no longer an experiment but a pronounced success, and we will gladly furnish any information desired.

Call at, or address, the general offices of the company, Story Building, 200 Camp street, corner Common street, in the handsome apartments formerly occupied by the Louisiana State National Bank.

The business and finances of the company are supervised and checked by the following directors:

WALTER H. ROGERS,
J. B. SINNOTT,
H. B. BYRNE,
P. F. HERWIG,
W. L. SAXON,
J. P. WILLIAMS,
GORDON S. ORME,
GEO. D. FELDNER.

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REDEMPTIONS.

Below we give a list of each month's redemptions to date, followed by an itemized list of this month's redemptions.

The names and addresses of all the holders in the following redemptions can be found on file in our office.

Debentures Nos.	Date Redeemed.	Age.	Amount Paid by Holder.	Amount Received by Holder.	Profit to Holder.
1-76	April 10, 1895.	7	1,050 00	1,575 00	525 00
77-158	May 10, 1895	8	1,296 00	1,944 00	648 00
159-251	June 10, 1895	9	1,530 00	2,295 00	765 00
252-344	July 10, 1895	10	1,660 00	2,490 00	830 00
345-450	August 10, 1895	11	2,112 00	3,168 00	1,056 00
451-556	September 10, 1895	11	1,980 00	2,970 00	990 00
557-608	October 10, 1895	12			
609-702		11	2,280 00	3,420 00	1,140 00
703-866	November 10, 1895	12	2,664 00	3,996 00	1,332 00
867-1000	December 10, 1895	12	2,568 00	3,852 00	1,284 00
1001-1128	January 10, 1896	13			
1129-1152		12	2,790 00	4,185 00	1,395 00
1153-1355	February 10, 1896	13	2,990 00	4,485 00	1,495 00
1356-1524	March 10, 1896	14	3,360 00	5,040 00	1,680 00
1525-1542	April 10, 1896	15			
1543-1728		14	3,700 00	5,550 00	1,850 00
1729-1973	May 10, 1896	15			
1974-2065		14	4,138 00	6,207 00	2,069 00
2066-2105	June 10, 1896	15			
2106-2257		14			
2258-2292		13	4,714 00	7,071 00	2,357 00
2293-2415	July 10, 1896	14			
2416-2506		13	4,762 00	7,143 00	2,381 00
2507-2532	August 10, 1896	14			
2533-2744		13	5,320 00	7,980 00	2,660 00
2745-3006	September 10, 1896	14			
3007-3063		13	5,878 00	8,817 00	2,939 00
3064-3430	October 10, 1896	14			
3431-3433		13	6,492 00	9,738 00	3,246 00
3434-3648	November 10, 1896	14			
3649-3765		12	6,664 00	9 996 00	3,332 00

REDEMPTIONS—Continued.

Debentures Nos.	Date Redeemed.	Age.	Amount Paid by Holder.	Amount Received by Holder.	Profit to Holder.
3766-4035	December 10, 1896	14			
4036-4038		13	6,938 00	10,407 00	3,469 00
4039-4344	January 10, 1897	14	7,448 00	11,172 00	3,724 00
4345-4447	February 10, 1897	15			
4448-4639		14	7,836 00	11,754 00	3,918 00
4640-4978	March 10, 1897	15	8,400 00	12,600 00	4,200 00
4979-5064	April 10, 1897	16			
5065-5312		15	8,956 00	13,434 00	4,478 00
5313-5639	May 10, 1897	16	9,600 00	14,400 00	4,800 00
5640-5976	June 10, 1897	17			
5977-6013		16	10,102 00	15,153 00	5,051 00
6014-6386	July 10, 1897	17	10,676 00	16,014 00	5,338 00
6387-6780	August 10, 1897	18	11,052 00	16,578 00	5,526 00
6781-6924	September 10, 1897	19			
6925-7149		18	11,549 00	17,310 00	5,770 00
7150-7550	October 10, 1897	19	11,628 00	17,442 00	5,814 00
Totals Prior to this Date			172,124 00	258,186 00	86,062 00

15275

367 4

REDEMPTION No. 32.
NOVEMBER 10, 1897.

No. Debentures	Address of Holder.	No. Installments Paid.	Amount Paid.	Amount Received.	Profit.
7551-7552	New Orleans, La	20	80 00	120 00	40 00
7553	Lapsed				
7554-7555	New Orleans, La	20	80 00	120 00	40 00
7556-7557	Lapsed				
7558	New Orleans, La	20	40 00	60 00	20 00
7559	New Orleans, La	20	40 00	60 00	20 00
7560	New Orleans, La	20	40 00	60 00	20 00
7561-7565	Mobile, Ala	20	200 00	300 00	100 00
7566-7570	New Orleans, La	20	200 00	300 00	100 00
7571	New Orleans, La	20	40 00	60 00	20 00
7572-7574	New Orleans, La	20	120 00	180 00	60 00
7575	Lapsed				
7576	New Orleans, La	20	40 00	60 00	20 00
7577	New Orleans, La	20	40 00	60 00	20 00
7578	New Orleans, La	20	40 00	60 00	20 00
7579-7588	Mobile, Ala	20	400 00	600 00	200 00
7589	Lapsed				
7590	New Orleans, La	20	40 00	60 00	20 00
7591-7600	New Orleans, La	20	400 00	600 00	200 00
7601-7610	New Orleans, La	20	400 00	600 00	200 00
7611-7613	New Orleans, La	20	120 00	180 00	60 00
7614-7618	New Orleans, La	20	200 00	300 00	100 00
7619-7620	New Orleans, La	20	80 00	120 00	40 00
7621-7623	New Orleans, La	20	120 00	180 00	60 00
7624-7628	New Orleans, La	20	200 00	300 00	100 00
7629	Lapsed				
7630	New Orleans, La	20	40 00	60 00	20 00
7631	New Orleans, La	20	40 00	60 00	20 00
7632	New Orleans, La	20	40 00	60 00	20 00
7633	New Orleans, La	20	40 00	60 00	20 00
7634-7638	Lapsed				
7639-7643	New Orleans, La	20	200 00	300 00	100 00
7644-7648	New Orleans, La	20	200 00	300 00	100 00
7649-7658	New Orleans, La	20	400 00	600 00	200 00
7659-7663	New Orleans, La	20	200 00	300 00	100 00
7664	Lapsed				
7665	Mobile, Ala	20	40 00	60 00	20 00
7666	New Orleans, La	20	40 00	60 00	20 00
7667-7669	New Orleans, La	20	120 00	180 00	60 00
7670-7671	Lapsed				
7672	Vicksburg, Miss	20	40 00	60 00	20 00
7673	New Orleans, La	20	40 00	60 00	20 00
7674-7678	Vicksburg, Miss	20	200 00	300 00	100 00
7679	Lapsed				
7680	New Orleans, La	20	40 00	60 00	20 00
7681-7682	New Orleans, La	20	80 00	120 00	40 00
7683-7684	Lapsed				
7685	New Orleans, La	20	40 00	60 00	20 00
7686-7710	New Orleans, La	20	1000 00	1500 00	500 00

NOVEMBER 10, 1897.—[Continued.]

No. Debentures	Address of Holder.	No. Installments Paid.	Amount Paid.	Amount Received.	Profit.
7711-7713	New Orleans, La	20	120 00	180 00	60 00
7714-7723	New Orleans, La	20	400 00	600 00	200 00
7724-7725	New Orleans, La	20	80 00	120 00	40 00
7726	New Orleans, La	20	40 00	60 00	20 00
7727-7728	Lapsed				
7729-7738	New Orleans, La	20	400 00	600 00	200 00
7739	Lapsed				
7740-7742	Lapsed				
7743-7744	New Orleans, La	20	80 00	120 00	40 00
7745-7746	New Orleans, La	20	80 00	120 00	40 00
7747	New Orleans, La	20	40 00	60 00	20 00
7748-7749	Lapsed				
7750	New Orleans, La	20	40 00	60 00	20 00
7751-7755	Mobile, Ala	20	200 00	300 00	100 00
7756-7760	Mobile, Ala	20	200 00	300 00	100 00
7761	Vicksburg, Miss	20	40 00	60 00	20 00
7762-7766	New Orleans, La	20	200 00	300 00	100 00
7767-7771	New Orleans, La	20	200 00	300 00	100 00
7772-7773	Lapsed				
7774-7775	Lapsed				
7776	New Orleans, La	20	40 00	60 00	20 00
7777-7778	Lapsed				
7779	New Orleans, La	20	40 00	60 00	20 00
7780-7781	Lapsed				
7782	New Orleans, La	20	40 00	60 00	20 00
7783-7788	New Orleans, La	20	240 00	360 00	120 00
7789-7790	New Orleans, La	20	80 00	120 00	40 00
7791	New Orleans, La	20	40 00	60 00	20 00
7792-7796	Lapsed				
7797-7801	Mobile, Ala	20	200 00	300 00	100 00
7802	New Orleans, La	20	40 00	60 00	20 00
7803-7804	New Orleans, La	20	80 00	120 00	40 00
7805-7814	Vicksburg, Miss	20	400 00	600 00	200 00
7815	New Orleans, La	20	40 00	60 00	20 00
7816	Lapsed				
7817	Vicksburg, Miss	20	40 00	60 00	20 00
7818	Vicksburg, Miss	20	40 00	60 00	20 00
7819-7823	New Orleans, La	20	200 00	300 00	100 00
7824	Lapsed				
7825-7829	New Orleans, La	20	200 00	300 00	100 00
7830-7834	New Orleans, La	20	200 00	300 00	100 00
7835-7836	New Orleans, La	20	80 00	120 00	40 00
7837-7839	New Orleans, La	20	120 00	180 00	60 00
7840	New Orleans, La	20	40 00	60 00	20 00
7841-7842	Lapsed				
7843-7852	New Orleans, La	20	400 00	600 00	200 00
7853-7854	New Orleans, La	20	80 00	120 00	40 00
7855-7856	New Orleans, La	20	80 00	120 00	40 00
7857-7861	Lapsed				

367c

NOVEMBER 10, 1897—[Continued.]

No. Debentures	Address of Holder.	No. Installments Paid.	Amount Paid	Amount Received.	Profit.
7862-7866	New Orleans La	20	200 00	300 00	100 00
7867-7871	Lapsed				
7872	Lapsed				
7873-7877	New Orleans, La	20	200 00	300 00	100 00
7878	Greenwood, Miss	20	40 00	60 00	20 00
7879	Greenwood, Miss	20	40 00	60 00	20 00
7880	Lapsed				
7881-7885	Greenwood, Miss	20	200 00	300 00	100 00
7886	Lapsed				
7887	Lapsed				
7888	Lapsed				
7889	Lapsed				
7890-7892	New Orleans, La	20	120 00	180 00	60 00
7893	Lapsed				
7894-7895	New Orleans, La	20	80 00	120 00	40 00
7896-7900	New Orleans, La	20	200 00	300 00	100 00
			11640 00	17460 00	5820 00

Our next Redemption will be on December 10, 1897. Commencing with Debenture No. 7901.

For further information ring up Telephone No. 1472, or ADDRESS US BY MAIL at the correct address of the Company, **200 CAMP STREET.**

15278

State of Louisiana

v.

A. O. Debenture Redemption Company, Limited

P. 7

No. 56658

Civil District Court
Parish of Orleans
Filed January 31st 99.
(signed) P. J. Tournellon
Dy. Clerk.

STATEMENT OF
MONTHLY REDEMPTIONS.

REDEMPTION No. 46.

JANUARY 10, 1899.

Nos 11753,-11882, Age 28 Months.

Amounts paid Holders of Redeemed Debentures prior to this Month,	$483,222.
Redemption Fund paid out this month,	14,432.
Total,	$497,654.

The NEW ORLEANS DEBENTURE REDEMPTION COMPANY OF LOUISIANA, LIMITED, commenced business in October, 1894. The remarkable proportions to which the business has grown is evidenced by the figures given above.

Results show that the affairs of the company have been handled in an honest and efficient manner and every obligation on the company's part has been promptly met. Under these circumstances we confidently appeal to the public for a continuation of their patronage.

Our next Redemption will be on

FEBRUARY 10, 1899,

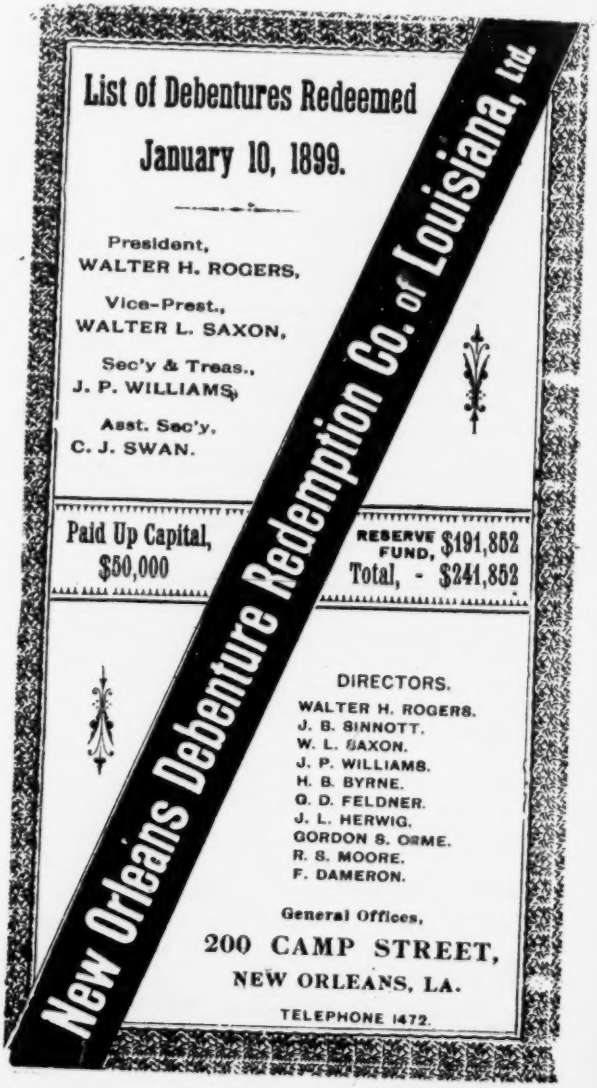
commencing with **Debenture No. 11,883.**

For further information ring up

Telephone No. 1472.

or ADDRESS US BY MAIL at the correct address of the Company.

No. 200 Camp Street.


List of Debentures Redeemed
January 10, 1899.
President,
WALTER H. ROGERS,
Vice-Prest.,
WALTER L. SAXON,
Sec'y & Treas.,
J. P. WILLIAMS,
Asst. Sec'y,
C. J. SWAN.
New Orleans Debenture Redemption Co. of Louisiana, Ltd.
Paid Up Capital,
$50,000
RESERVE FUND, $191,852
Total, - $241,852
DIRECTORS.
WALTER H. ROGERS.
J. B. SINNOTT.
W. L. SAXON.
J. P. WILLIAMS.
H. B. BYRNE.
O. D. FELDNER.
J. L. HERWIG.
GORDON S. ORME.
R. S. MOORE.
F. DAMERON.
General Offices,
200 CAMP STREET,
NEW ORLEANS, LA.
TELEPHONE 1472.

15280

No. 9

STATEMENT OF
MONTHLY REDEMPTIONS.

No 56658

REDEMPTION No. 46.

JANUARY 10, 1899.

State of Louisiana

Nos 11753,—11882, Age 28 Months.

Amounts paid Holders of Redeemed Debentures prior to this Month,	$483,222.
Redemption Fund paid out this month,	14,432.
Total,	$497,654.

Redemption Co Ltd

The NEW ORLEANS DEBENTURE REDEMPTION COMPANY OF LOUISIANA, LIMITED, commenced business in October, 1894. The remarkable proportions to which the business has grown is evidenced by the figures given above.

Civil District Court

Results show that the affairs of the company have been handled in an honest and efficient manner and every obligation on the company's part has been promptly met. Under these circumstances we confidently appeal to the public for a continuation of their patronage.

Parish of Orleans

(signed) C. J. Fourmilon Clerk

Our next Redemption will be on

FEBRUARY 10, 1899,

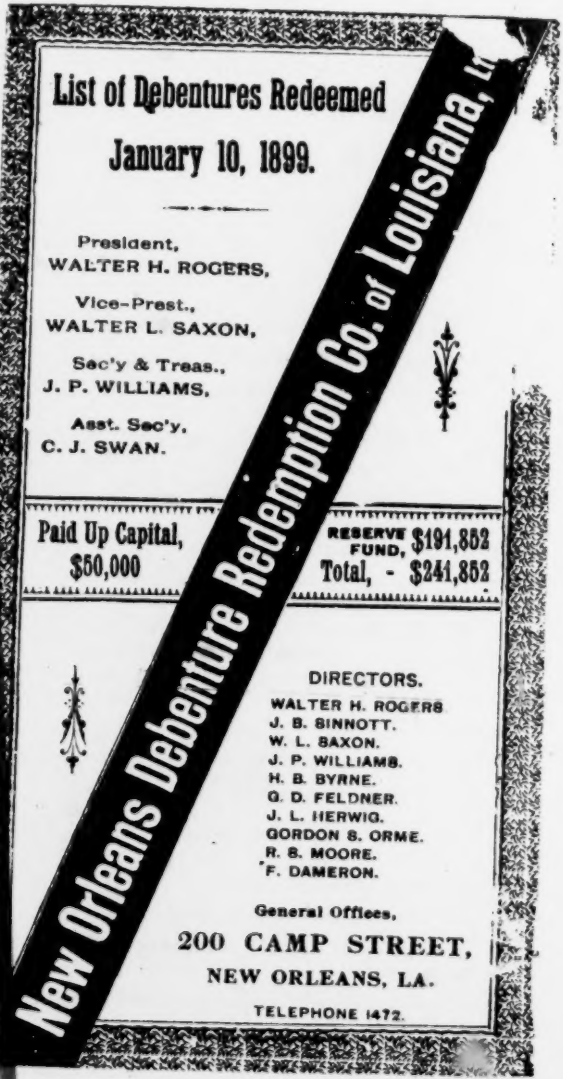
commencing with **Debenture No. 11,883.**

For further information ring up

Telephone No. 1472.

or ADDRESS US BY MAIL at the correct address of the Company.

No. 200 Camp Street.


List of Debentures Redeemed
January 10, 1899.
President,
WALTER H. ROGERS,
Vice-Prest.,
WALTER L. SAXON,
Sec'y & Treas.,
J. P. WILLIAMS,
Asst. Sec'y,
C. J. SWAN.
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Paid Up Capital,
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RESERVE FUND, $191,852
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J. L. HERWIG.
GORDON S. ORME.
R. S. MOORE.
F. DAMERON.
General Offices,
200 CAMP STREET,
NEW ORLEANS, LA.
TELEPHONE 1472.

REDEMPTIONS.

Below we give a list of each month's redemptions to date, followed by a statement of this month's redemptions. The names and addresses of all the holders in the following redemptions can be found on file in our office:

Debentures Nos.	Date Redeemed	Age	Amount Paid by Holder	Amount Received by Holder	Profit to Holder
—76	April 10, 1895	7	$1,050 00	$1,575 00	$ 525 00
77—158	May 10, 1895	8	1,296 00	1,944 00	648 00
159—251	June 10, 1895	9	1,530 00	2,295 00	765 00
252—344	July 10, 1895	10	1,660 00	2,490 00	830 00
345—450	August 10, 1895	11	2,112 00	3,168 00	1,056 00
451—556	September 10, 1895	11	1,980 00	2,970 00	990 00
557—608	October 10, 1895	12			
609—702		11	2,280 00	3,420 00	1,140 00
703—866	November 10, 1895	12	2,664 00	3,996 00	1,332 00
867—1000	December 10, 1895	12	2,568 00	3,852 00	1,284 00
1001—1128	January 10, 1896	13			
1129—1152		12	2 790 00	4 185 00	1,395 00
1153—1355	February 10, 1896	13	2,990 00	4,485 00	1,495 00
1356—1524	March 10, 1896	14	3,360 00	5,040 00	1,680 00
1525—1642	April 10, 1896	15			
1643—1728		14	3,700 00	5,550 00	1,850 00
1729—	May 10, 1896	15			
—1856		14	4,138 00	6,207 00	2,069 00
1857—	June 10 1896	15			
—2003		14			
—2133		13	4,714 00	7,071 00	2,357 00
2134—	July 10, 1896	14			
—2276		13	4,762 00	7,143 00	2,381 00
2277—	August 10, 1896	14			
—2429		13	5,320 00	7,980 00	2,660 00
2430—	September 10, 1896	14			
—2563		13	5,878 00	8,817 00	2,939 00
2564—	October 10, 1896	14			
—2730		13	6,492 00	9,738 00	3,246 00
2731—	November 10, 1896	14			
—2896		13	6,664 00	9,996 00	3,332 00
2897—	December 10, 1896	14			
—3066		13	6,938 00	10,407 00	3,469 00
3067—	January 10, 1897	14	7,448 00	11,172 00	3,724 00
—3261	February 10, 1897	15			
3262—		14	7,836 00	11,754 00	3,918 00
—3462	March 10, 1897	15	8 400 00	12,600 00	4,200 00

REDEMPTIONS.—Continued.

Debentures Nos.	Date Redeemed	Age	Amount Paid by Holder	Amount Received by Holder	Profit to Holder
4979—5064	April 10, 1897	16			
5065—5312		15	88,956 00	13,434 00	4,478 00
5313—5639	May 10, 1897	16	9,600 00	14,400 00	4,800 00
5640—5976	June 10, 1897	17			
5977—6013		16	10,102 00	15,153 00	5,051 00
6014—6386	July 10, 1897	17	10,676 00	16,014 00	5,338 00
6387—6780	August 10, 1897	18	11,052 00	16,578 00	5,526 00
6781—6924	September 10, 1897	19			
6925—7149		18	11,549 00	17,310 00	5,770 00
7150—7550	October 10, 1897	19	11,628 00	17,442 00	5,814 00
7551—7900	November 10, 1897	20	11,640 00	17,460 00	5,820 00
7901—8285	December 10, 1897	20			
		19	11,562 00	17,343 00	5,781 00
8286—8723	January 10, 1898	20	11,792 00	17,688 00	5,896 00
8724—9062	February 10, 1898	20	11,400 00	17,100 00	5,700 00
Total prior to this date,			$218,518.00	$327,777.00	$109,259.00

REDEMPTION No. 36.

MARCH 10, 1898.

Nos. 9063—9362, Age 21 Months.

Amount Paid by Holders, - -	$11,508
Amount Received, - - - -	17,262
Profit to Holders, - - -	$5,754

Our next Redemption will be on April 10, 1898, commencing with Debenture No. 9363.

For further information ring up Telephone No. 1472, or ADDRESS US BY MAIL at the correct address of the Company, 200 Camp Street.

15281

List of Debentures Redeem...

March 10, 1898.

President,
WALTER H. ROGERS,

Vice-Prest.,
WALTER L. SAXON,

Sec'y & Treas.,
J. P. WILLIAMS,

Asst. Sec'y,
C. J. SWAN.

Paid Up Capital,
$50,000

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New Orleans Debenture Redemption Co. of Lou...

The success of the New Orleans Debenture Redemption Company, of Louisiana, Limited, and the popularity of the investment furnished by it, have changed the unfriendly attention of various parties whose interests are opposed to its progress. These gentlemen have been attempting to disparage the system by persistently affirming that it is only another of the many schemes that have been put forward to trade on human cupidity by holding out the bait of extravagant profits to be realized from lapses or some form of lottery drawing.

This is absolutely untrue. The debenture system is simply an improved form of co-operative investment, framed so as to give investors advantages that are not afforded by any other existing plan. It is a good paying investment and nothing more, and its safety, like that of a savings bank, depends upon the capital stock actually paid up, the surplus or reserve fund, and the honesty and efficiency of those who handle and invest the funds.

If any one feels any interest or curiosity in reference thereto, he shall be glad to give him full explanations as to what the debenture system really is, if he will call at our Office, 200 Camp Street, New Orleans.

The business and the finances of the Company are supervised and checked by the following

DIRECTORS:

WALTER H. ROGERS,
J. L. HERWIG,
GORDON S. ORME,
J. B. SINNOTT,
W. L. SAXON,
GEO. E. FELDNER.
H. B. BYRNE,
J. P. WILLIAMS.

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1729—1973	May 10, 1896	15			
1974—2065		14	4,138 00	6,207 00	2,069 00
2066—2105	June 10, 1896	15			
2106—2257		14			
2258—2292		13	4,714 00	7,071 00	2,357 00
2293—2415	July 10, 1896	14			
2416—2506		13	4,762 00	7,143 00	2,381 00
2507—2532	August 10, 1896	14			
2533—2744		13	5,320 00	7,980 00	2,660 00
2745—3006	September 10, 1896	14			
3007—3063		13	5,878 00	8,817 00	2,939 00
3064—3430	October 10, 1896	14			
3431—3423		13	6,492 00	9,738 00	3,246 00
3434—3648	November 10, 1896	14			
3649—1765		13	6,664 00	9,996 00	3,332 00
3766—4035	December 10, 1896	14			
4036—4038		13	6,938 00	10,407 00	3,469 00
4039—4344	January 10, 1897	14	7,448 00	11,172 00	3,724 00
4345—4447	February 10, 1897	15			
4448—4639		14	7,836 00	11,754 00	3,918 00
4640—4978	March 10, 1897	15	8,400 00	12,600 00	4,200 00

REDEMPTIONS.—Continued.

Debentures Nos.	Date Redeemed	Age	Amount Paid by Holder	Amount Received by Holder	Profit to Holder
4979—5064	April 10, 1897	16			
5065—5312		15	$8,956 00	13,434 00	4,478 00
5313—5639	May 10, 1897	16	9,600 00	14,400 00	4,800 00
5640—5976	June 10, 1897	17			
5977—6013		16	10,102 00	15,153 00	5,051 00
6014—6386	July 10, 1897	17	10,676 00	16,014 00	5,338 00
6387—6780	August 10, 1897	18	11,052 00	16,578 00	5,526 00
6781—6924	September 10, 1897	19			
6925—7149		18	11,549 00	17,310 00	5,770 00
7150—7550	October 10, 1897	19	11,628 00	17,442 00	5,814 00
7551—7900	November 10, 1897	20	11,640 00	17,460 00	5,820 00
7901—8285	December 10, 1897	20			
		19	11,562 00	17,343 00	5,781 00
8286—8723	January 10, 1898	20	11,792 00	17,688 00	5,896 00
8724—9062	February 10, 1898	20	11,400 00	17,100 00	5,700 00
9063—9362	March 10, 1898	21	11,508 00	17,262 00	5,754 00
Total prior to this date,		-	$220,026 00	$345,039 00	$115,013 00

REDEMPTION No. 37.

APRIL 10, 1898.

Nos. 9363—9693, Age 22 Months.

Amount Paid by Holders, - -	$11,660
Amount Received, - - - -	17,490
Profit to Holders, - -	$5,830

Our next Redemption will be on May 10, 1898, commencing with Debenture No. 9694.

For further information ring up Telephone No. 1472, or ADDRESS US BY MAIL at the correct address of the Company, 200 Camp Street.

15282

The case of the State against the Louisiana Bond Company brings out the fact repeatedly urged by us that at least one of the many concerns professing to operate on plans copied from ours has been managed by men who, either from incompetency or other causes, are entirely unworthy of confidence.

Any business that involves handling other people's funds ought to be surrounded by proper safeguards against dishonesty or bad management. We have been, and still are doing our utmost to have the rule applied to the debenture business. In particular we desire that action be taken by the State to the following ends:

1. That the business, and the companies professing to conduct it, be thoroughly investigated by proper experts, in order to determine the truth of the different assertions made or implied in their literature.
2. That no company be allowed to commence or continue business without a license from the State.
3. That such license shall only be issued on compliance with the following conditions:

(a) That the officers and employés in actual charge of the business be men of reputable character.

(b) That a capital stock of the face value of $100,000 be paid up in cash.

(c) That $100,000 in U. S. or State bonds be deposited with the State Treasurer for the protection of investors.

(d) That proper provision for the protection of the Reserve Fund made by charging an initiation fee so-called, in the same way as dues in our company.

4. That the books of every company be periodically inspected by a State official.

The ceding people such reforms as these, and we ask the hearty co-operation of all conservators to that end.

The business either is or is not a legitimate one. The different companies professing to conduct it either are or are not conducting honestly. There is no right and no wrong way of settling everything, but the right way to settle this is proper State investigation, not sweeping general statements from sensation mongers or interested parties, nor anonymous invective, anonymous communication.

So far as our company is concerned, we have only this to say. If anyone has a complaint to make, either on the score of the soundness of our system, our ability to make good our contracts or the manner in which we deal with our investors, we are at all times ready to meet it when definitely stated and presented, AT ONCE.

List of Debentures Redeemed

April 10, 1898.

President,
WALTER H. ROGERS,

Vice-Prest.,
WALTER L. SAXON,

Sec'y & Treas.,
J. P. WILLIAMS,

Asst. Sec'y,
C. J. SWAN.

Paid Up Capital, $50,000

RESERVE FUND, $125,808
Total, - $175,808

Our March Redemption List was published too late to admit of its form being copied by others. We venture to prophesy however this month will see the Redemption Lists of the most of the so-called debenture companies come out in exactly the same style. There is one point however on which we feel safe from imitation: WE PUBLISH THE AMOUNT OF OUR PAID-UP CAPITAL AND RESERVE FUND.

General Offices,

200 CAMP STREET.

NEW ORLEANS, LA.

TELEPHONE 1472.

New Orleans Debenture Redemption Co. of Louisiana, Ltd.

REDEMPTIONS.

Below we give a list of each month's redemptions to date, followed by a statement of this month's redemptions. The names and addresses of all the holders in the following redemptions can be found on file in our office:

Debentures Nos.	Date Redeemed	Age	Amount Paid by Holder	Amount Received by Holder	Profit to Holder
1—76	April 10, 1895	7	$1,050 00	$1,575 00	$ 525 00
77—158	May 10, 1895	8	1,296 00	1,944 00	648 00
159—251	June 10, 1895	9	1,530 00	2,295 00	765 00
252—344	July 10, 1895	10	1,660 00	2,490 00	830 00
345—450	August 10, 1895	11	2,112 00	3,168 00	1,056 00
451—356	September 10, 1895	11	1,980 00	2,970 00	990 00
557—608	October 10, 1895	12			
609—702		11	2,280 00	3,420 00	1,140 00
703—866	November 10, 1895	12	2,664 00	3,996 00	1,332 00
867—1000	December 10, 1895	12	2,568 00	3,852 00	1,284 00
1001—1128	January 10, 1896	13			
1129—1152		12	2,790 00	4,185 00	1,395 00
1153—1355	February 10, 1896	13	2,990 00	4,485 00	1,495 00
1356—1524	March 10, 1896	14	3,360 00	5,040 00	1,680 00
1525—1542	April 10, 1896	15			
1543—1728		14	3,700 00	5,550 00	1,850 00
1729—1973	May 10, 1896	15			
1974—2065		14	4,138 00	6,207 00	2,069 00
2066—2105	June 10, 1896	15			
2106—2257		14			
2258—2292		13	4,714 00	7,071 00	2,357 00
2293—2415	July 10, 1896	14			
2416—2506		13	4,762 00	7,143 00	2,381 00
2507—2532	August 10, 1896	14			
2533—2744		13	5,320 00	7,980 00	2,660 00
2745—3006	September 10, 1896	14			
3007—3063		13	5,878 00	8,817 00	2,939 00
3064—3430	October 10, 1896	14			
3431—3433		13	6,492 00	9,738 00	3,246 00
3434—3648	November 10, 1896	14			
3649—3765		13	6,664 00	9,996 00	3,332 00
3766—4035	December 10, 1896	14			
4036—4038		13	6,938 00	10,407 00	3,469 00
4039—4344	January 10, 1897	14	7,448 00	11,172 00	3,724 00
4345—4447	February 10, 1897	15			
4448—4639		14	7,836 00	11,754 00	3,918 00
4640—4978	March 10, 1897	15	8,400 00	12,600 00	4,200 00

REDEMPTIONS.—Continued.

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6014—6386	July 10, 1897	17	10,676 00	16,014 00	5,338 00
6387—6780	August 10, 1897	18	11,052 00	16,578 00	5,526 00
6781—6924	September 10, 1897	19			
6925—7149		18	11,549 00	17,310 00	5,770 00
7150—7550	October 10, 1897	19	11,628 00	17,442 00	5,814 00
7551—7900	November 10, 1897	20	11,640 00	17,460 00	5,820 00
7901—8285	December 10, 1897	20			
		19	11,562 00	17,343 00	5,781 00
8286—8723	January 10, 1898	20	11,792 00	17,688 00	5,896 00
8724—9062	February 10, 1898	20	11,400 00	17,100 00	5,700 00
9063—9362	March 10, 1898	21	11,508 00	17,262 00	5,754 00
Total prior to this date,		-	$230,026.00	$345,039.00	$115,013.00

REDEMPTION No. 37.

APRIL 10, 1898.

Nos. 9363—9693, Age 22 Months.

Amount Paid by Holders, - -	$11,360
Amount Received, - - - -	17,490
Profit to Holders, - -	$5,830

Our next Redemption will be on May 10, 1898, commencing with Debenture No. 9694.

For further information ring up Telephone No. 1472, or **ADDRESS US BY MAIL** at the correct address of the Company, **200 Camp Street.**

15283

The case of the State against the Louisiana Bond Company brings out the fact repeatedly agreed by us that at least one of the many concerns professing to operate on plans copied from ours has been managed by men who, rather from incompetency or other causes, are entirely unworthy of confidence.

Any business that involves the handling of other people's funds ought to be surrounded by proper safeguards against dishonesty or bad management. We have been, and still are, doing our utmost to have this rule applied to the debenture business. In particular we desire that actions taken by the State to the following ends:

1. That the business, and the companies professing to conduct it, thoroughly investigated by proper experts, in order to determine the truth of the different assertions made for and against it and them.
2. That no company be allowed to commence or continue in business without a license from the Secretary of State.
3. That such license shall only be issued on compliance with the following conditions:
5. (c) That the officers and employés in actual charge of the business be men of responsible character.
6. (b) That the capital stock be fully paid up in cash.
(c) That $100,000 in cash or such bonds be deposited with the State Treasurer for the protection of investors, in the same way as done by our company.
(d) That other provision for the protection of the Reserve Fund be made, discharging an interest from so-called,
4. That the books of every company be periodically inspected by a State officer.

The carrying out of such reforms is manifest, and we ask the hearty co-operation of all investors to that end.

The business under is or is not a legitimate one. The different companies professing to conduct it either are or are not conducting it honestly. There is a right and a wrong way of doing everything, and the right way to settle this is proper State investigation, sweeping away all insinuations from sensational mongers, or interested parties, and resting investigation and annoymous communication.

Satisfied as our company is concerned, we have only this to say. If anyone has any complaint to make, either on the score of the soundness of our system, our ability to make good our contracts or the manner in which we deal with our investors, we are at all times ready to meet it when definitely shaped and presented, AT ONCE.

New Orleans Debenture Redemption Co. of Louisiana, Ltd.

List of Debentures Redeemed

April 10, 1898.

President,
WALTER H. ROGERS,

Vice-Prest.,
WALTER L. SAXON,

Sec'y & Treas.,
J. P. WILLIAMS,

Asst. Sec'y,
C. J. SWAN.

Paid Up Capital, $50,000

RESERVE FUND, $125,808

Total, - $175,808

Our March Redemption List was published too late to admit of its form being copied by others. We venture to prophesy however this month will see the Redemption Lists of the most of the so-called debenture companies come out in exactly the same style. There is one point however on which we feel safe from imitation: WE PUBLISH THE AMOUNT OF OUR PAID-UP CAPITAL AND RESERVE FUND.

General Offices,

200 CAMP STREET,

NEW ORLEANS, LA.

TELEPHONE 1472.

REDEMPTIONS.

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252–344	July 10, 1895	10	1,660 00	2,490 00	830 00
345–450	August 10, 1895	11	2,112 00	3,168 00	1,056 00
451–556	September 10, 1895	11	1,980 00	2,970 00	990 00
557–608	October 10, 1895	12			
609–702		11	2,280 00	3,420 00	1,140 00
703–866	November 10, 1895	12	2,664 00	3,996 00	1,332 00
867–1000	December 10, 1895	12	2,568 00	3,852 00	1,284 00
1001–1128	January 10, 1896	13			
1129–1152		12	2,790 00	4,185 00	1,395 00
1153–1355	February 10, 1896	13	2,990 00	4,485 00	1,495 00
1356–1524	March 10, 1896	14	3,360 00	5,040 00	1,680 00
1525–1542	April 10, 1896	15			
1543–1728		14	3,700 00	5,550 00	1,850 00
1729–1973	May 10, 1896	15			
1974–2065		14	4,138 00	6,207 00	2,069 00
2066–2105	June 10, 1896	15			
2106–2257		14			
2258–2292		13	4,714 00	7,071 00	2,357 00
2293–2415	July 10, 1896	14			
2416–2506		13	4,762 00	7,143 00	2,381 00
2507–2532	August 10, 1896	14			
2533–2744		13	5,320 00	7,980 00	2,660 00
2745–3006	September 10, 1896	14			
3007–3063		13	5,878 00	8,817 00	2,939 00
3064–3430	October 10, 1896	14			
3431–3433		13	6,492 00	9,738 00	3,246 00
3434–3648	November 10, 1896	14			
3649–3765		13	6,664 00	9,996 00	3,332 00
3766–4035	December 10, 1896	14			
4036–4038		13	6,938 00	10,407 00	3,469 00
4039–4344	January 10, 1897	14	7,448 00	11,172 00	3,724 00
4345–4447	February 10, 1897	15			
4448–4639		14	7,836 00	11,754 00	3,918 00
4640–4978	March 10, 1897	15	8,400 00	12,600 00	4,200 00

REDEMPTIONS.—Continued.

Debentures Nos.	Date Redeemed	Age	Amount Paid by Holder	Amount Received by Holder	Profit to Holder
4979–5064	April 10, 1897	16			
5065–5312		15	$8,956 00	13,434 00	4,478 00
5313–5639	May 10, 1897	16	9,600 00	14,400 00	4,800 00
5640–5976	June 10, 1897	17			
5977–6013		16	10,102 00	15,153 00	5,051 00
6014–6386	July 10, 1897	17	10,676 00	16,014 00	5,338 00
6387–6780	August 10, 1897	18	11,052 00	16,578 00	5,526 00
6781–6924	September 10, 1897	19			
6925–7149		18	11,549 00	17,310 00	5,770 00
7150–7550	October 10, 1897	19	11,628 00	17,442 00	5,814 00
7551–7900	November 10, 1897	20	11,640 00	17,460 00	5,820 00
7901–8285	December 10, 1897	20			
		19	11,562 00	17,343 00	5,781 00
8286–8723	January 10, 1898	20	11,792 00	17,688 00	5,896 00
8724–9062	February 10, 1898	20	11,400 00	17,100 00	5,700 00
9063–9362	March 10, 1898	21	11,508 00	17,262 00	5,754 00
9363–9693	April 10, 1898	22	11,660 00	17,490 00	5,830 00
Total prior to this date,			$241,636.00	$362,529.00	$120,843.00

REDEMPTION No. 38.

MAY 10, 1898.

Nos. 9694–9980, Age 23–22 Months.

Amount Paid by Holders, - -	$11,064
Amount Received, - - - -	16,596
Profit to Holders, - -	$5,532

Our next Redemption will be on June 10, 1898, commencing with Debenture No. 9981.

For further information ring up Telephone No. 1472, or **ADDRESS US BY MAIL** at the correct address of the Company, **200 Camp Street.**

15284

War with Spain is now an actual fact. While that war can only result one way, people will naturally ask what effect a war could have on this Company. To that question we can give a very definite and positive answer, and that answer is this: Nothing short of a total and complete break-up of the United States as a nation could bring disaster to this Company. Our funds are invested in U. S. and States bonds and real estate securities. War or no war, interest would still run on and accumulate, and so long as the Government can pay the interest on its bonds the solidity of our Company is assured.

But suppose the enemy should succeed in landing an army and capturing New Orleans! Would not that cause a suspension of business? Undoubtedly it would, but only until the invaders were driven out again. Meantime we would see that the funds and securities were moved to a place of safety, while the real estate would stay where it always has been. One thing is sure: If we were a new concern with no money behind us and in debt, there would be much inducement to "ground-floor" redemption, the situation would be much less reassuring. People only invest in such concerns in the expectation that whether or not it succeeds they at least will get back what they put in, no "ground-floor" inducement to others. People invest with us because they believe in us. We have a substantial accumulation of real, tangible assets which itself must be considered as a guarantee that we will not merely go the letter of our contract, but to its spirit, and that we will faithfully carry out all our undertakings with a full sense of our responsibility to those who have entrusted their money to our keeping.

List of Debentures Redeemed

May 10, 1898.

President,
WALTER H. ROGERS.

Vice-Prest.,
WALTER L. SAXON.

Sec'y & Treas.,
J. P. WILLIAMS.

Asst. Sec'y,
C. J. SWAN.

Paid Up Capital, $50,000

RESERVE FUND, $133,287

Total, - $183,287

A few War Maps for distribution to our Debenture Holders.

General Offices,
200 CAMP STREET
NEW ORLEANS, LA.

TELEPHONE 1472.

New Orleans Debenture Redemption Co. (Ltd.)

REDEMPTIONS.

Below we give a list of each month's redemptions to date, followed by a statement of this month's redemptions. The names and addresses of all the holders in the following redemptions can be found on file in our office:

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159—251	June 10, 1895	9	1,530 00	2,295 00	765 00
252—344	July 10, 1895	10	1,660 00	2,490 00	830 00
345—450	August 10, 1895	11	2,112 00	3,168 00	1,056 00
451—556	September 10, 1895	11	1,980 00	2,970 00	990 00
557—608	October 10, 1895	12			
609—702		11	2,280 00	3,420 00	1,140 00
703—866	November 10, 1895	12	2,664 00	3,996 00	1,332 00
867—1000	December 10, 1895	12	2,568 00	3,852 00	1,284 00
1001—1128	January 10, 1896	13			
1129—1152		12	2,790 00	4,185 00	1,395 00
1153—1355	February 10, 1896	13	2,990 00	4,485 00	1,495 00
1356—1524	March 10, 1896	14	3,360 00	5,040 00	1,680 00
1525—1542	April 10, 1896	15			
1543—1728		14	3,700 00	5,550 00	1,850 00
1729—1973	May 10, 1896	15			
1974—2065		14	4,138 00	6,207 00	2,069 00
2066—2105	June 10, 1896	15			
2106—2257		14			
2258—2292		13	4,714 00	7,071 00	2,357 00
2293—2415	July 10, 1896	14			
2416—2506		13	4,762 00	7,143 00	2,381 00
2507—2532	August 10, 1896	14			
2533—2744		13	5,320 00	7,980 00	2,660 00
2745—3006	September 10, 1896	14			
3007—3063		13	5,578 00	8,817 00	2,939 00
3064—3430	October 10, 1896	14			
3431—3433		13	6,492 00	9,738 00	3,246 00
3434—3648	November 10, 1896	14			
3649—3765		13	6,664 00	9,996 00	3,332 00
3766—4035	December 10, 1896	14			
4036—4038		13	6,938 00	10,407 00	3,469 00
4039—4344	January 10, 1897	14	7,448 00	11,172 00	3,724 00
4345—4447	February 10, 1897	15			
4448—4639		14	7,836 00	11,754 00	3,918 00
4640—4978	March 10, 1897	15	8,400 00	12,600 00	4,200 00

REDEMPTIONS.—Continued.

Debentures Nos.	Date Redeemed	Age	Amount Paid by Holder	Amount Received by Holder	Profit to Holder
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5065—5312		15	$8,956 00	13,434 00	4,478 00
5313—5639	May 10, 1897	16	9,600 00	14,400 00	4,800 00
5640—5976	June 10, 1897	17			
5977—6013		16	10,102 00	15,153 00	5,051 00
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6925—7149		18	11,549 00	17,310 00	5,770 00
7150—7550	October 10, 1897	19	11,628 00	17,442 00	5,814 00
7551—7900	November 10, 1897	20	11,640 00	17,460 00	5,820 00
7901—8285	December 10, 1897	20			
		19	11,562 00	17,343 00	5,781 00
8286—8723	January 10, 1898	20	11,792 00	17,688 00	5,896 00
8724—9062	February 10, 1898	20	11,400 00	17,100 00	5,700 00
9063—9362	March 10, 1898	21	11,508 00	17,262 00	5,754 00
9363—9693	April 10, 1898	22	11,660 00	17,490 00	5,830 00
9694—9980	May 10, 1898	22			
		23	11,064 00	16,596 00	5,532 00
Total prior to this date,			$252,750.00	$379,125.00	$126,375.00

REDEMPTION No. 39.

JUNE 10, 1898.

Nos. 9981,—10336, Age 23 Months.

Amount Paid by Holders, - -	$10,810
Amount Received, - - - -	16,215
Profit to Holders, - -	$5,405

Our next Redemption will be on July 10, 1898, commencing with Debenture No. 10337.

For further information ring up Telephone No. 1472, or **ADDRESS US BY MAIL** at the correct address of the Company, **200 Camp Street.**

214

Comparative Statement

No. 56658

Instalments actually collected in New Orleans for the months of May and June.

State of Louisiana
v.
N. O. Debenture Redemption Company, Limited

No 56658

MAY.

April Delinquents Reinstated,	138
May Instalments,	18,862
Advance Payments,	1,094
	20,094

JUNE.

First District Court
Parish of Orleans

May Delinquents Reinstated,	124
June Instalments,	18,138
Advance Payments,	1,302
	19,564

Filed January 31st 99
(Signed) P. J. Fourmillon
Dy. Clerk.

The above statement represents merely the monthly instalments collected in **New Orleans alone.** It does not include instalments collected at outside agencies, nor first payments in new business, nor fines nor interest earnings.

List of Debentures Redeemed

June 10, 1898.

President,
WALTER H. ROGERS,

Vice-Prest.,
WALTER L. SAXON,

Sec'y & Treas.,
J. P. WILLIAMS,

Asst. Sec'y,
C. J. SWAN.

Paid Up Capital, $50,000

RESERVE FUND, $140,622

Total, - $190,622

A few War Maps for distribution to our Debenture Holders.

General Offices,
200 CAMP STREET,
NEW ORLEANS, LA

TELEPHONE 1472.

New Orleans Debenture Redemption Co. of Louisiana, Ltd.

REDEMPTIONS.

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77—158	May 10, 1895	8	1,296 00	1,944 00	648 00
159—251	June 10, 1895	9	1,530 00	2,295 00	765 00
252—344	July 10, 1895	10	1,660 00	2,490 00	830 00
345—450	August 10, 1895	11	2,112 00	3,168 00	1,056 00
451—556	September 10, 1895	11	1,980 00	2,970 00	990 00
557—608	October 10, 1895	12			
609—702		11	2,280 00	3,420 00	1,140 00
703—866	November 10, 1895	12	2,664 00	3,996 00	1,332 00
867—1000	December 10, 1895	12	2,568 00	3,852 00	1,284 00
1001—1128	January 10, 1896	13			
1129—1152		12	2,790 00	4,185 00	1,395 00
1153—1355	February 10, 1896	13	2,990 00	4,485 00	1,495 00
1356—1524	March 10, 1896	14	3,360 00	5,040 00	1,680 00
1525—1542	April 10, 1896	15			
1543—1728		14	3,700 00	5,550 00	1,850 00
1729—1973	May 10, 1896	15			
1974—2065		14	4,138 00	6,207 00	2,069 00
2066—2105	June 10, 1896	15			
2106—2257		14			
2258—2292		13	4,714 00	7,071 00	2,357 00
2293—2415	July 10, 1896	14			
2416—2506		13	4,762 00	7,143 00	2,381 00
2507—2532	August 10, 1896	14			
2533—2744		13	5,320 00	7,980 00	2,660 00
2745—3006	September 10, 1896	14			
3007—3063		13	5,878 00	8,817 00	2,939 00
3064—3430	October 10, 1896	14			
3431—3433		13	6,492 00	9,738 00	3,246 00
3434—3648	November 10, 1896	14			
3649—3765		13	6,664 00	9,996 00	3,332 00
3766—4035	December 10, 1896	14			
4036—4038		13	6,938 00	10,407 00	3,469 00
4039—4344	January 10, 1897	14	7,448 00	11,172 00	3,724 00
4345—4447	February 10, 1897	15			
4448—4639		14	7,826 00	11,754 00	3,918 00
4640—4978	March 10, 1897	15	8,400 00	12,600 00	4,200 00

REDEMPTIONS.—Continued.

Debentures Nos.	Date Redeemed	Age	Amount Paid by Holder	Amount Received by Holder	Profit to Holder
4979—5064	April 10, 1897	16			
5065—5312		16	28,956 00	13,434 00	4,478 00
5313—5639	May 10, 1897	16	9,600 00	14,400 00	4,800 00
5640—5976	June 10, 1897	17			
5977—6013		16	10,102 00	15,153 00	5,051 00
6014—6386	July 10, 1897	17	10,676 00	16,014 00	5,338 00
6387—6780	August 10, 1897	18	11,052 00	16,578 00	5,526 00
6781—6924	September 10, 1897	19			
6925—7149		18	11,549 00	17,310 00	5,770 00
7150—7550	October 10, 1897	19	11,628 00	17,442 00	5,814 00
7551—7900	November 10, 1897	20	11,640 00	17,460 00	5,820 00
7901—8285	December 10, 1897	20			
		19	11,562 00	17,343 00	5,781 00
8286—8723	January 10, 1898	20	11,792 00	17,688 00	5,896 00
8724—9062	February 10, 1898	20	11,400 00	17,100 00	5,700 00
9063—9362	March 10, 1898	21	11,508 00	17,262 00	5,754 00
9363—9693	April 10, 1898	22	11,660 00	17,490 00	5,830 00
9694—9980	May 10, 1898	22			
		23	11,064 00	16,596 00	5,532 00
9981—10333	June 10, 1898	23	10,810 00	16,215 00	5,405 00
Total prior to this date,			$253,560 00	$395,340 00	$131,780 00

REDEMPTION No. 40.

JULY 10, 1898.

Nos. 10334,—10590, Age 24 Months.

Amount Paid by Holders, - -	$11,040
Amount Received, - - - -	16,560
Profit to Holders, - -	$5,580

Our next Redemption will be on August 10, 1898 commencing with Debenture No. 10591.

For further information ring up Telephone No. 1472, or ADDRESS US BY MAIL at the correct address of the Company, 200 Camp Street

Two bills for the regulation of the debenture business were introduced in the present session of the State Legislature.

The so-called Duggan bill was avowedly framed not to protect debenture holders, but to suppress the business. It was admittedly not called for by any holders of debentures, and there is no question but what it was instigated by interested parties to remove a successful competitor from a field of business which they wished to keep all to themselves. Therefore we opposed it, and it met with defeat as it deserved.

The Peyton bill provided:

"That $100,000 should be deposited by every company for the protection of its investors.

That a sworn statement of its affairs should be submitted to the Secretary of State.

That such statement should be submitted semi-annually.

That license to do business should be issued only if the company were solvent and had made the deposit.

And power to the Secretary of State to examine into the affairs of each company and refuse or revoke authority to do business."

These provisions we considered reasonable and proper for the protection of investors. The bill gave us no privilege that we did not already possess. All it did was to impose restrictions and safeguards, and the only thing we had to gain was protection against unfair competition of unscrupulous rivals. Therefore we supported the bill, but, though it passed the lower house successfully, it failed in the Senate, the end of the session giving no time for consideration.

No legislation has consequently been passed one way or the other, and matters stand exactly where they did before. Each company operating or professing to operate on the debenture plan stands on its own merits, and if it was sound before, it is as sound now; if it was not, its position is neither better nor worse.

List of Debentures Redeemed

July 10, 1898.

President,
WALTER H. ROGERS,

Vice-Prest.,
WALTER L. SAXON,

Sec'y & Treas.,
J. P. WILLIAMS,

Asst. Sec'y,
C. J. SWAN.

Paid Up Capital, $50,000

RESERVE FUND, $147,499

Total, - $197,499

DIRECTORS.

WALTER H. ROGERS.
J. B. SINNOTT.
W. L. SAXON.
J. P. WILLIAMS.
H. B. BYRNE.
G. D. FELDNER.
J. L. HERWIG.
GORDON S. ORME.

General Offices,
200 CAMP STREET
NEW ORLEANS, L

TELEPHONE 1472

New Orleans Debenture Redemption Co. of Louisiana, Ltd.

REDEMPTIONS.

Below we give a list of each month's redemptions to date, followed by a statement of this month's redemptions. The names and addresses of all the holders in the following redemptions can be found on file in our office:

Debentures Nos.	Date Redeemed	Age	Amount Paid by Holder	Amount Received by Holder	Profit to Holder
1—76	April 10, 1895	7	$1,050 00	$1,575 00	$ 525 00
77—158	May 10, 1895	8	1,296 00	1,944 00	648 00
159—251	June 10, 1895	9	1,530 00	2,295 00	765 00
252—344	July 10, 1895	10	1,660 00	2,490 00	830 00
345—450	August 10, 1895	11	2,112 00	3,168 00	1,056 00
451—556	September 10, 1895	11	1,980 00	2,970 00	990 00
557—608	October 10, 1895	12			
609—702		11	2,280 00	3,420 00	1,140 00
703—866	November 10, 1895	12	2,664 00	3,996 00	1,332 00
867—1000	December 10, 1895	12	2,568 00	3,852 00	1,284 00
1001—1128	January 10, 1896	13			
1129—1152		12	2,790 00	4,185 00	1,395 00
1153—1355	February 10, 1896	13	2,990 00	4,485 00	1,495 00
1356—1524	March 10, 1896	14	3,360 00	5,040 00	1,680 00
1525—1542	April 10, 1896	15			
1543—1728		14	3,700 00	5,550 00	1,850 00
1729—1973	May 10, 1896	15			
1974—2065		14	4,138 00	6,207 00	2,069 00
2066—2105	June 10, 1896	15			
2106—2257		14			
2258—2292		13	4,714 00	7,071 00	2,357 00
2293—2415	July 10, 1896	14			
2416—2506		13	4,762 00	7,143 00	2,381 00
2507—2532	August 10, 1896	14			
2533—2744		13	5,320 00	7,980 00	2,660 00
2745—3006	September 10, 1896	14			
3007—3063		13	5,878 00	8,817 00	2,939 00
3064—3430	October 10, 1896	14			
3431—3433		13	6,492 00	9,738 00	3,246 00
3434—3648	November 10, 1896	14			
3649—3765		13	6,664 00	9,996 00	3,332 00
3766—4035	December 10, 1896	14			
4036—4038		13	6,938 00	10,407 00	3,469 00
4039—4344	January 10, 1897	14	7,448 00	11,172 00	3,724 00
4345—4447	February 10, 1897	15			
4448—4639		14	7,836 00	11,754 00	3,918 00
4640—4978	March 10, 1897	15	8,400 00	12,600 00	4,200 00

REDEMPTIONS.—Continued.

Debentures Nos.	Date Redeemed	Age	Amount Paid by Holder	Amount Received by Holder	Profit to Holder
4979—5064	April 10, 1897	16			
5065—5312		15	$8,956 00	13,434 00	4,478 00
5313—5639	May 10, 1897	16	9,600 00	14,400 00	4,800 00
5640—5976	June 10, 1897	17			
5977—6013		16	10,102 00	15,153 00	5,051 00
6014—6386	July 10, 1897	17	10,676 00	16,014 00	5,338 00
6387—6780	August 10, 1897	18	11,052 00	16,578 00	5,526 00
6781—6924	September 10, 1897	19			
6925—7149		18	11,549 00	17,310 00	5,770 00
7150—7550	October 10, 1897	19	11,628 00	17,442 00	5,814 00
7551—7900	November 10, 1897	20	11,640 00	17,460 00	5,820 00
7901—8285	December 10, 1897	20			
		19	11,562 00	17,343 00	5,781 00
8286—	January 10, 1898	20	11,792 00	17,688 00	5,896 00
8724—9062	February 10, 1898	20	11,400 00	17,100 00	5,700 00
9063—9362	March 10, 1898	21	11,508 00	17,262 00	5,754 00
9363—9693	April 10, 1898	22	11,660 00	17,490 00	5,830 00
9694—9980	May 10, 1898	22			
		23	11,064 00	16,596 00	5,532 00
9981—10336	June 10, 1898	23	10,810 00	16,215 00	5,405 00
10337—10590	July 10, 1898	24	11,040 00	16,560 00	5 520 00
Total prior to this date,			$264,600.00	$411,300.00	$137,200.00

REDEMPTION No. 41.

AUGUST 10, 1898.

Nos. 10591,—10864, Age 25-24 Months.

Amount Paid by Holders, - -	$10,365
Amount Received, - - - -	15,552
Profit to Holders, - -	$5,184

Our next Redemption will be on September 10, 1898, commencing with Debenture No. 10865.

For further information ring up Telephone No. 1472, or ADDRESS US BY MAIL at the correct address of the Company, 200 Camp Street.

15287

The assertion that the New Orleans Debenture Redemption Company was the only one of its kind that merited the confidence and the patronage of the public has been subjected to a good deal of criticism. To our mind that assertion is amply justified by the facts.

In the first place, this company was not started hastily. The system went through a prolonged and searching examination, and was only placed before the public after we had had the benefit of first-class actuarial and mathematical advice.

In the second place, before commencing operations we had a sufficient capital stock subscribed to protect our contracts. If the business had not succeeded, the loss would have fallen, not on the public, but on the subscribers to the capital stock.

In short, when we began business **we knew what we were doing and were able to do it.**

The business was very successful, and competitors were not long in making their appearance. Unfortunately these competitors had not studied the business sufficiently.

Two most objectionable features existed in their methods. First, **they made no provision to protect the reserve fund**, and thus left it open to be weakened and depleted. Secondly, they secured their business by use of the "ground-floor" argument. By the latter is meant the impression that the holders of early numbers in any sort of company whatsoever had a special advantages in the shape of safety and profit. This fallacy was circulated to an extraordinary extent, and brought about a remarkable state of affairs. As soon as it was found that people would buy debentures issued by any company, without looking to any other consideration than early numbers, new debenture companies sprang up for no other purpose, and can have by no other means, than this "ground-floor" idea.

To fair and honest competition from people whose characters and standing warrant their confidence to handle other people's money, we have of course no right to object, but we certainly resent the implication of having anything in common with people who have made such a lamentable display of ignorance and mismanagement.

L. GRAHAM & SON, LTD., 207-211 BAUDIN ST., NEW ORLEANS.

List of Debentures Redeemed

August 10, 1898.

P 16

President,
WALTER H. ROGERS,

Vice-Prest.,
WALTER L. SAXON,

Sec'y & Treas.,
J. P. WILLIAMS,

Asst. Sec'y,
C. J. SWAN.

New Orleans Debenture Redemption Co. of Louisiana, Ltd.

Paid Up Capital,
• $50,000

RESERVE FUND, $155,600
Total, - $205,600

DIRECTORS.

WALTER H. ROGERS.
J. B. SINNOTT.
W. L. SAXON.
J. P. WILLIAMS.
H. B. BYRNE.
G. D. FELDNER.
J. L. HERWIG.
GORDON S. ORME.

General Offices,
200 CAMP STREET,
NEW ORLEANS, LA.

TELEPHONE 1472.

REDEMPTIONS.

Below we give a list of each month's redemptions to date, followed by a statement of this month's redemptions. The names and addresses of all the holders in the following redemptions can be found on file in our office:

Debentures Nos.	Date Redeemed	Age	Amount Paid by Holder	Amount Received by Holder	Profit to Holder
1—76	April 10, 1895	7	$1,050 00	$1,575 00	$ 525 00
77—158	May 10, 1895	8	1,296 00	1,944 00	648 00
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345—450	August 10, 1895	11	2,112 00	3,168 00	1,056 00
451—556	September 10 1895	11	1,980 00	2,970 00	990 00
557—608	October 10, 1895	12			
609—702		11	2,280 00	3,420 00	1,140 00
703—866	November 10, 1895	12	2,664 00	3,996 00	1,332 00
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1153—1355	February 10, 1896	13	2,990 00	4,485 00	1,495 00
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1729—1973	May 10, 1896	15			
1974—2065		14	4,138 00	6,207 00	2,069 00
2066—2105	June 10, 1896	15			
2106—2257		14			
2258—2292		13	4,714 00	7,071 00	2,357 00
2293—2415	July 10, 1896	14			
2416—2506		13	4,762 00	7,143 00	2,381 00
2507-2532	August 10, 1896	14			
2533—2744		13	5,320 00	7,980 00	2,660 00
2745—3006	September 10, 1896	14			
3007—3063		13	5,878 00	8,817 00	2,939 00
3064—3430	October 10, 1896	14			
3431—3433		13	6,492 00	9,738 00	3,246 00
3434—3648	November 10, 1896	14			
3649—3765		13	6,664 00	9,996 00	3,332 00
3766—4035	December 10, 1896	14			
4036—4038		13	6,938 00	10,407 00	3,469 00
4039—4344	January 10, 1897	14	7,448 00	11,172 00	3,724 00
4345—4447	February 10, 1897	15			
4448—4639		14	7,836 00	11,754 00	3,918 00
4640—4978	March 10, 1897	15	8,400 00	12,600 00	4,200 00

REDEMPTIONS.—Continued.

Debentures Nos.	Date Redeemed	Age	Amount Paid by Holder	Amount Received by Holder	Profit to Holder
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5065—5312		15	$8,956 00	13,434 00	4,478 00
5313—5639	May 10, 1897	16	9,600 00	14,400 00	4,800 00
5640—5976	June 10, 1897	17			
5977—6013		16	10,102 00	15,153 00	5,051 00
6014—6386	July 10, 1897	17	10,676 00	16,014 00	5,338 00
6387—6780	August 10, 1897	18	11,052 00	16,578 00	5,526 00
6781—6924	September 10, 1897	19			
6925—7149		18	11,549 00	17,310 00	5,770 00
7150—7550	October 10, 1897	19	11,628 00	17,442 00	5,814 00
7551—7900	November 10, 1897	20	11,640 00	17,460 00	5,820 00
7901—8285	December 10, 1897	20			
		19	11,562 00	17,343 00	5,781 00
8286—8723	January 10, 1898	20	11,792 00	17,688 00	5,896 00
8724—9062	February 10, 1898	20	11,400 00	17,100 00	5,700 00
9063—9362	March 10, 1898	21	11,508 00	17,262 00	5,754 00
9363—9693	April 10, 1898	22	11,660 00	17,490 00	5,830 00
9694—9980	May 10, 1898	22			
		23	11,064 00	16,596 00	5,532 00
9981—10336	June 10, 1898	23	10,810 00	16,215 00	5,405 00
10337—10590	July 10, 1898	24	11,040 00	16 560 00	5 520 00
10591—10864	August 10, 1898	25	10,368 00	15,552 00	5,184 00
		24			
Total prior to this date,			$284,968.00	$427,452.00	$142,484.00

REDEMPTION No. 42.

SEPTEMBER 10, 1898.

Nos. 10865,—11103, Age 25 Months.

Amount Paid by Holders, - -	$10,100
Amount Received, - - - -	15,150
Profit to Holders, - -	$5,050

Our next Redemption will be on October 10, 1898, commencing with Debenture No. 11104.

For further information ring up Telephone No. 1472, or ADDRESS US BY MAIL at the correct address of the Company, 200 Camp Street.

15288

The plan inaugurated by the New Orleans Debenture Redemption Company of Louisiana, Ltd., was designed to furnish a safe investment on the co-operative instalment plan that would pay a good profit and that could be taken advantage of by anyone, however small his means. Life insurance serves its own purpose; the savings bank serves its; but neither of them serves the purpose this investment does, and there is nothing else that covers the ground that this plan was designed to fill.

The plan is to a certain extent a departure. In place of receiving a varying profit paid at fixed times, investors are guaranteed a fixed rate of profit payable at times determined by the conditions of business. The elements of co-operation, continuity of business and the tontine feature are enlisted, in such a manner as to secure investors the highest possible profit in the shortest possible time, consistent with safety to the investor.

The tontine feature, while a source of profit to the persistent investors, is also a measure of protection, inasmuch as it does away with the necessity of keeping a large amount of money at call, and prevents undue demands for withdrawal. It besides contemplates a benefit to investors by putting a premium on prudence and persistency of purpose.

The tontine feature, as applied by this Company, is by no means a system of harsh and rigorous forfeiture, or the taking advantage of unforeseen accidents. In case of need investors may obtain loans on their debentures on reasonable terms to tide over emergencies. Thus the danger of lapsing involuntarily is reduced to the smallest minimum possible. In other words, the intention of the plan is that **no one need lapse unless he actually wants to.**

L. GRAHAM & SON, LTD., 287-211 Baronne St., New Orleans.

New Orleans Debenture Redemption Co. of Louisiana, Ltd.

List of Debentures Redeemed

September 10, 1898.

President,
WALTER H. ROGERS,

Vice-Prest.,
WALTER L. SAXON,

Sec'y & Treas.,
J. P. WILLIAMS,

Asst. Sec'y,
C. J. SWAN.

Paid Up Capital,
$50,000

RESERVE FUND, $165,820
Total, - $215,820

DIRECTORS.

WALTER H. ROGERS.
J. B. SINNOTT.
W. L. SAXON.
J. P. WILLIAMS.
H. B. BYRNE.
G. D. FELDNER.
J. L. HERWIG.
GORDON S. ORME.

General Offices,
200 CAMP STREET,
NEW ORLEANS, LA.

TELEPHONE 1472.

REDEMPTIONS.

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451—556	September 10, 1895	11	1,980 00	2,970 00	990 00
557—608	October 10, 1895	12			
609—702		11	2,280 00	3,420 00	1,140 00
703—866	November 10, 1895	12	2,664 00	3,996 00	1,332 00
867—1000	December 10, 1895	12	2,568 00	3,852 00	1,284 00
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1129—1152		12	2,790 00	4,185 00	1,395 00
1153—1355	February 10, 1896	13	2,990 00	4,485 00	1,495 00
1356—1534	March 10, 1896	14	3,360 00	5,040 00	1,680 00
1535—1542	April 10, 1896	15			
1543—1728		14	3,700 00	5,550 00	1,850 00
1729—1973	May 10, 1896	15			
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2106—2257		14			
2258—2292		13	4,714 00	7,071 00	2,357 00
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2416—2506		13	4,762 00	7,143 00	2,381 00
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2533—2744		13	5,320 00	7,980 00	2,660 00
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4448—4639		14	7,836 00	11,754 00	3,918 00
4640—4978	March 10, 1897	15	8,400 00	12,600 00	4,200 00

REDEMPTIONS.—Continued.

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5065—5312		15	$8,956 00	$13,434 00	$4,478 00
5313—5639	May 10, 1897	16	9,600 00	14,400 00	4,800 00
5640—5976	June 10, 1897	17			
5977—6013		16	10,102 00	15,153 00	5,051 00
6014—6386	July 10, 1897	17	10,676 00	16,014 00	5,338 00
6387—6780	August 10, 1897	18	11,052 00	16,578 00	5,526 00
6781—6924	September 10, 1897	19			
6925—7149		18	11,549 00	17,310 00	5,770 00
7150—7550	October 10, 1897	19	11,628 00	17,442 00	5,814 00
7551—7900	November 10, 1897	20	11,640 00	17,460 00	5,820 00
7901—8285	December 10, 1897	20			
		19	11,562 00	17,343 00	5,781 00
8286—8723	January 10, 1898	20	11,792 00	17,688 00	5,896 00
8724—9062	February 10, 1898	20	11,400 00	17,100 00	5,700 00
9063—9362	March 10, 1898	21	11,508 00	17,262 00	5,754 00
9363—9693	April 10, 1898	22	11,660 00	17,490 00	5,830 00
9694—9980	May 10, 1898	22			
		23	11,064 00	16,596 00	5,532 00
9981—10336	June 10, 1898	23	10,810 00	16,215 00	5,405 00
10337—10590	July 10, 1898	24	11,040 00	16 560 00	5 520 00
10591—10864	August 10, 1898	25	10,368 00	15,552 00	5,184 00
		24			
10865—11103	September 10, 1898	25	10,100 00	15,150 00	5,050 00
Total prior to this date,		-	$295,068.00	$442,602 00	$147,534.00

REDEMPTION No. 43.

OCTOBER 10, 1898.

Nos. 11104,—11328, Age 26 Months.

Amount Paid by Holders, - -	$9,204
Amount Received, - - - - -	13,806
Profit to Holders, - -	$4,602

Our next Redemption will be on November 10, 1898, commencing with Debenture No. 11329.

For further information ring up Telephone No. 1472, or ADDRESS US BY MAIL at the correct address of the Company, 200 Camp Street.

REDEMPTIONS.

Below we give a list of each month's redemptions to date, followed by a statement of this month's redemptions. The names and addresses of all the holders in the following redemptions can be found on file in our office:

Debentures Nos.	Date Redeemed	Age	Amount Paid by Holder	Amount Received by Holder	Profit to Holder
1—76	April 10, 1895	7	$1,050 00	$1,575 00	$ 525 00
77—158	May 10, 1895	8	1,296 00	1,944 00	648 00
159—251	June 10, 1895	9	1,530 00	2,295 00	765 00
252—344	July 10, 1895	10	1,660 00	2,490 00	830 00
345—450	August 10, 1895	11	2,112 00	3,168 00	1,056 00
451—556	September 10, 1895	11	1,980 00	2,970 00	990 00
557—608	October 10, 1895	12			
609—702		11	2,280 00	3,420 00	1,140 00
703—866	November 10, 1895	12	2,664 00	3,996 00	1,332 00
867—1000	December 10, 1895	12	2,568 00	3,852 00	1,284 00
1001—1128	January 10, 1896	13			
1129—1152		12	2,790 00	4,185 00	1,395 00
1153—1355	February 10, 1896	13	2,990 00	4,485 00	1,495 00
1356—1524	March 10, 1896	14	3,360 00	5,040 00	1,680 00
1525—1542	April 10, 1896	15			
1543—1728		14	3,700 00	5,550 00	1,850 00
1729—1973	May 10, 1896	15			
1974—2065		14	4,138 00	6,207 00	2,069 00
2066—2105	June 10, 1896	15			
2106—2257		14			
2258—2292		13	4,714 00	7,071 00	2,357 00
2293—2415	July 10, 1896	14			
2416—2506		13	4,762 00	7,143 00	2,381 00
2507—2532	August 10, 1896	14			
2533—2744		13	5,320 00	7,980 00	2,660 00
2745—3006	September 10, 1896	14			
3007—3063		13	5,878 00	8,817 00	2,939 00
3064—3430	October 10, 1896	14			
3431—3433		13	6,492 00	9,738 00	3,246 00
3434—3648	November 10, 1896	14			
3649—3765		13	6,664 00	9,996 00	3,332 00
3766—4035	December 10, 1896	14			
4036—4038		13	6,938 00	10,407 00	3,469 00
4039—4344	January 10, 1897	14	7,448 00	11,172 00	3,724 00
4345—4447	February 10, 1897	15			
4448—4639		14	7,836 00	11,754 00	3,918 00
4640—4978	March 10, 1897	15	8,400 00	12,600 00	4,200 00

REDEMPTIONS.—Continued.

Debentures Nos.	Date Redeemed	Age	Amount Paid by Holder	Amount Received by Holder	Profit to Holder
4979—5064	April 10, 1897	16			
5065—5312		15	$8 956 00	13,434 00	4,478 00
5313—5639	May 10, 1897	16	9,600 00	14,400 00	4,800 00
5640—5976	June 10, 1897	17			
5977—6013		16	10,102 00	15,153 00	5,051 00
6014—6386	July 10, 1897	17	10,676 00	16,014 00	5,338 00
6387—6780	August 10, 1897	18	11,052 00	16,578 00	5,526 00
6781—6924	September 10, 1897	19			
6925—7149		18	11,549 00	17,310 00	5,770 00
7150—7550	October 10, 1897	19	11,628 00	17,442 00	5,814 00
7551—7900	November 10, 1897	20	11,640 00	17,460 00	5,820 00
7901—8285	December 10, 1897	20			
		19	11,562 00	17,343 00	5,781 00
8286—8723	January 10, 1898	20	11,792 00	17,688 00	5,896 00
8724—9062	February 10, 1898	20	11,400 00	17,100 00	5,700 00
9063—9362	March 10, 1898	21	11,508 00	17,262 00	5,754 00
9363—9693	April 10, 1898	22	11,660 00	17,490 00	5,830 00
9694—9980	May 10, 1898	22			
		23	11,064 00	16,596 00	5,532 00
9981—10336	June 10, 1898	23	10,810 00	16,215 00	5,405 00
10337—10590	July 10, 1898	24	11,040 00	16 560 00	5 520 00
10591—10864	August 10, 1898	25	10,368 00	15,552 00	5,184 00
		24			
10865—11103	September 10, 1898	25	10,100 00	15,150 00	5,050 00
11104—11328	October 10, 1898	26	9,204 00	13,806 00	4,602 00
Total prior to this date,			$304,272.00	$456,408 00	$152,136.00

REDEMPTION No. 44.

NOVEMBER 10, 1898.

Nos 11329,—11550, Age 27 Months.

Amount Paid by Holders, - -	$9,180
Amount Received, - - - -	13,770
Profit to Holders, - -	$4,590

Our next Redemption will be on December 10, 1898, commencing with Debenture No. 11551.

For further information ring up Telephone No. 1472, or ADDRESS US BY MAIL at the correct address of the Company, 200 Camp Street.

15290

New Orleans Debenture Redemption Co. of Louisiana, Ltd.

List of Debentures Redeemed

November 10, 1898.

P-19

President,
WALTER H. ROGERS,

Vice-Prest.,
WALTER L. SAXON,

Sec'y & Treas.,
J. P. WILLIAMS,

Asst. Sec'y,
C. J. SWAN.

Paid Up Capital,
$50,000

RESERVE FUND, $179,190
Total, - $229,190

DIRECTORS.

WALTER H. ROGERS.
J. B. SINNOTT.
W. L. SAXON.
J. P. WILLIAMS.
H. B. BYRNE.
G. D. FELDNER
J. L. HERWIG.
GORDON S. ORME.
R. S. MOORE.
F. DAMERON.

General Offices,
200 CAMP STREET,
NEW ORLEANS, LA.

TELEPHONE 1472.

For several months back, notably the last two, the Redemption Fund has been considerably reduced by the payment of surrendered values to the holders of Debentures that have withdrawn. While this reduces for the present the number of Debentures that it is able to redeem, it is a mistake to suppose it means prolongation of the ultimate redemption of Debentures now outstanding. Every Debenture that is called or surrendered brings those issued after it one place nearer redemption, so that while the redemption of the next few in order is postponed for the present the redemption of those that come behind them is not retarded but accelerated.

L. GRAHAM & SON, LTD., 207-211 BARONNE ST., NEW ORLEANS.

371 a

REDEMPTIONS.

Below we give a list of each month's redemptions to date, followed by a statement of this month's redemptions. The names and addresses of all the holders in the following redemptions can be found on file in our office:

Debentures Nos.	Date Redeemed	Age	Amount Paid by Holder	Amount Received by Holder	Profit to Holder
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451—556	September 10, 1895	11	1,980 00	2,970 00	990 00
557—608	October 10, 1895	12			
609—702		11	2,280 00	3,420 00	1,140 00
703—866	November 10, 1895	12	2,664 00	3,996 00	1,332 00
867—1000	December 10, 1895	12	2,568 00	3,852 00	1,284 00
1001—1128	January 10, 1896	13			
1129—1162		12	2,790 00	4,185 00	1,395 00
1163—1355	February 10, 1896	13	2,990 00	4,485 00	1,495 00
1356—1524	March 10, 1896	14	3,360 00	5,040 00	1,680 00
1525—1542	April 10, 1896	15			
1543—1728		14	3,700 00	5,550 00	1,850 00
1729—1973	May 10, 1896	15			
1974—2065		14	4,138 00	6,207 00	2,069 00
2066—2105	June 10, 1896	15			
2106—2257		14			
2258—2292		13	4,714 00	7,071 00	2,357 00
2293—2415	July 10, 1896	14			
2416—2506		13	4,762 00	7,143 00	2,381 00
2507—2532	August 10, 1896	14			
2533—2744		13	5,320 00	7,980 00	2,660 00
2745—3006	September 10, 1896	14			
3007—3063		13	5,878 00	8,817 00	2,939 00
3064—3430	October 10, 1896	14			
3431—3433		13	6,492 00	9,738 00	3,246 00
3434—3548	November 10, 1896	14			
3549—3765		13	6,664 00	9,996 00	3,332 00
3766—4035	December 10, 1896	14			
4036—4038		13	6,938 00	10,407 00	3,469 00
4039—4344	January 10, 1897	14	7,448 00	11,172 00	3,724 00
4345—4447	February 10, 1897	15			
4448—4639		14	7,836 00	11,754 00	3,918 00
4640—4978	March 10, 1897	15	8,400 00	12,600 00	4,200 00

REDEMPTIONS.—Continued.

Debentures Nos.	Date Redeemed	Age	Amount Paid by Holder	Amount Received by Holder	Profit to Holder
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5313—5639	May 10, 1897	16	9,600 00	14,400 00	4,800 00
5640—5976	June 10, 1897	17			
5977—6013		16	10,102 00	15,153 00	5,051 00
6014—6386	July 10, 1897	17	10,676 00	16,014 00	5,338 00
6387—6780	August 10, 1897	18	11,052 00	16,578 00	5,526 00
6781—6924	September 10, 1897	19			
6925—7149		18	11,549 00	17,310 00	5,770 00
7150—7550	October 10, 1897	19	11,628 00	17,442 03	5,814 00
7551—7900	November 10, 1897	20	11,640 00	17,460 00	5,820 00
7901—8285	December 10, 1897	20			
		19	11,562 00	17,343 00	5,781 00
8286—8723	January 10, 1898	20	11,792 00	17,688 00	5,896 00
8724—9062	February 10, 1898	20	11,400 00	17,100 00	5,700 00
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9363—9693	April 10, 1898	22	11,660 00	17,490 00	5,830 00
9694—9980	May 10, 1898	22			
		23	11,064 00	16,596 00	5,532 00
9981—10336	June 10, 1898	23	10,810 00	16,215 00	5,405 00
10337—10590	July 10, 1898	24	11,040 00	16,560 00	5,520 00
10591—10864	August 10, 1898	25	10,968 00	15,652 00	5,184 00
		24			
10865—11103	September 10, 1898	25	10,100 00	15,150 00	5,050 00
11104—11328	October 10, 1898	26	9,204 00	13,806 00	4,602 00
11329—11550	November 10, 1898	27	9,180 00	13,770 00	4,590 00
Total prior to this date,			$312,452 00	$470,178 00	$156,726 00

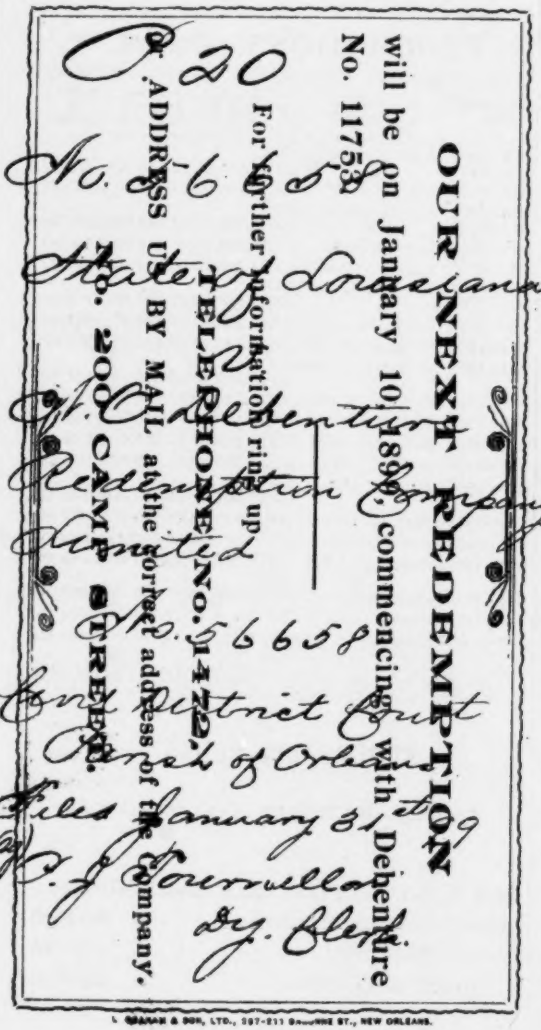
REDEMPTION No. 45.

DECEMBER 10, 1898.

Nos. 11551,—11752, Age 28-27 Months.

Amount Paid by Holders,	$8,696
Amount Received,	13,044
Profit to Holders,	$4,348

15291



OUR NEXT REDEMPTION

will be on January 10 1899 commencing with Debenture No. 11753

For further information ring up TELEPHONE No. 1422.

ADDRESS USE BY MAIL at the nearest address of the Company.

No. 200 CAMP STREET.

L. GRAHAM & SON, LTD., 207-211 Baronne ST., NEW ORLEANS.

20

No. 6655

State of Louisiana

Debenture

Redemption Company

Limited

No. 56658

Civil District Court

Parish of Orleans

Files January 31st 99

By F. J. Courvillaire

Dy. Clerk.

List of Debentures Redeemed

December 10, 1898.

President,
WALTER H. ROGERS,

Vice-Prest.,
WALTER L. SAXON,

Sec'y & Treas.,
J. P. WILLIAMS.

Asst. Sec'y,
C. J. SWAN.

Paid Up Capital,
$50,000

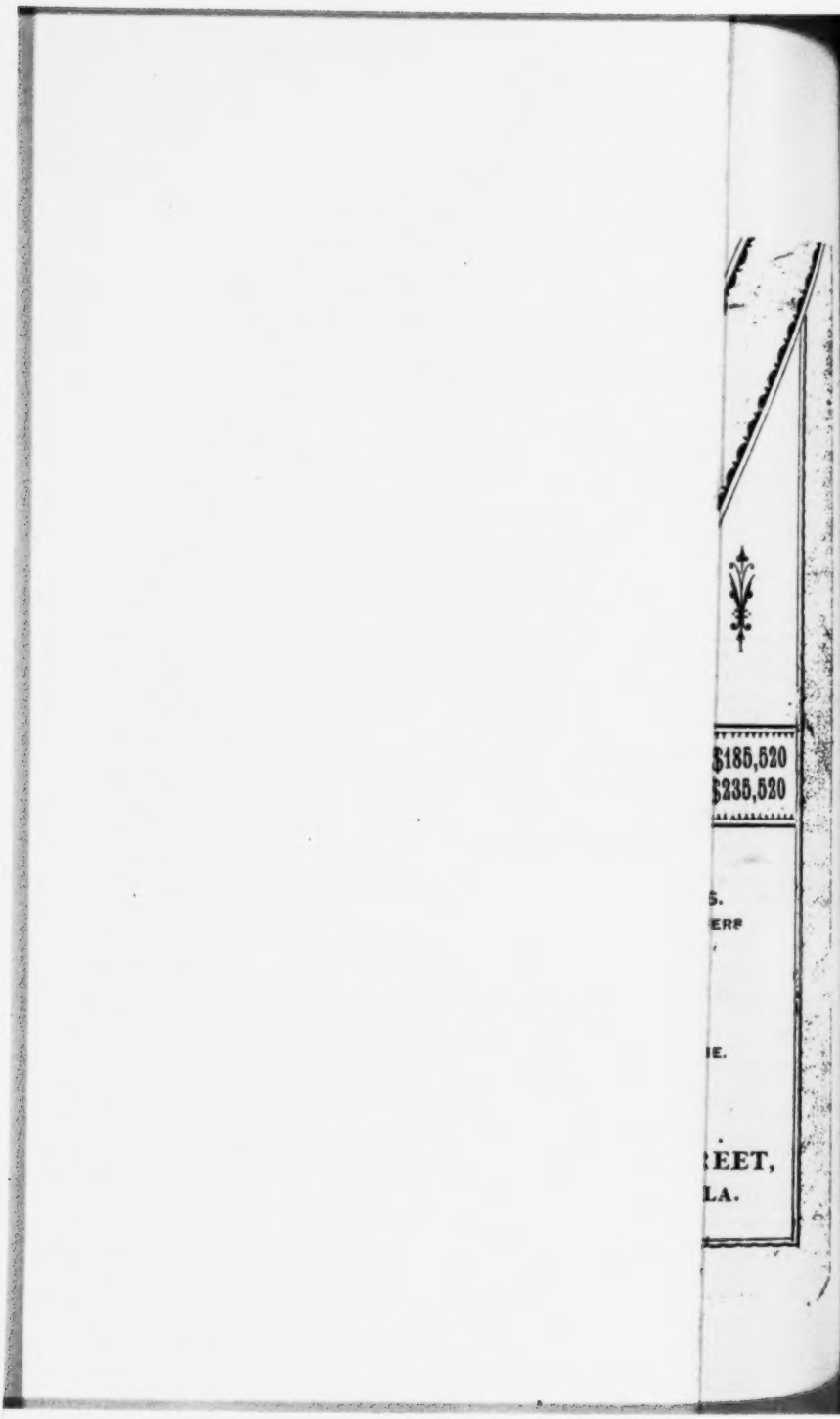
RESERVE FUND, $185,520
Total, - $235,520

DIRECTORS.

WALTER H. ROGERS
J. B. SINNOTT.
W. L. SAXON.
J. P. WILLIAMS.
H. B. BYRNE.
G. D. FELDNER
J. L. HERWIG.
GORDON S. ORME.
R. S. MOORE.
F. DAMERON.

General Offices,
200 CAMP STREET,
NEW ORLEANS, LA.

L. GRAHAM & SON, LTD., NEW ORLEANS.


$185,520
$235,520
S.
ERP
IE.
EET,
LA.

Non-transferable.

In consideration of the New Orleans Debenture Redemption Company of Louisiana, Limited, issuing this debenture, it is mutually agreed that same shall be non-transferrable before maturity.

Terms and conditions continued.

Table.

Value at their age if redeemed after payment.

7 months	$21.00	40 months	$120.00
8	24.00	41	123.00
9	27.00	42	126.00
10	30.00	43	129.00
11	33.00	44	132.00
12	36.00	45	135.00
13	39.00	46	138.00
14	42.00	47	141.00
15	45.00	48	144.00
16	48.00	49	147.00
17	51.00	50	150.00
18	54.00	51	153.00
19	57.00	52	156.00
20	60.00	53	159.00
21	63.00	54	162.00
22	66.00	55	165.00
23	69.00	56	168.00
24	72.00	57	171.00
25	75.00	58	174.00
26	78.00	59	177.00
27	81.00	60	180.00
28	84.00	61	183.00
29	87.00	62	186.00
30	90.00	63	189.00
31	93.00	64	192.00
32	96.00	65	195.00
33	99.00	66	198.00
34	102.00	67	201.00
35	105.00	68	204.00
36	108.00	69	207.00
37	111.00	70	210.00
38	114.00	71	213.00
39	117.00	72	216.00

Agent's receipt for first payment.

The N. O. Debenture Redemption Co. of La., Ltd.

——— —, 189–.

Received — dollars, advance payment, as per application attached, for — debenture to be issued to ——— ——— by the N. O. Debenture Redemption Co. of La., Ltd.

——— ———, *Agent.*

N. B.—Read notice on back.

Notice to Applicants for Debentures.

Should you fail to receive your debentures or hear from the company within ten days following the date of your receipt, please notify the home office, No. 200 Camp street, New Orleans, La., by mail or in person.

Give full address and make signature plain.

The next payment or first monthly instalment on your debenture will be due on the date borne by the debenture.

[Endorsed:] No. 56658. Civil dist. court. State of Louisiana v. N. O. Debenture Redemption Co., Ltd. Offered in evidence by plaintiff. Filed Feb'y 1st, 1899. (Signed) Joe Garidel, d'y cl'k. (P 33.)

New Orleans Debenture Redemption Company of Louisiana, Ltd.*

Office, 200 Camp street.

Special Notice.

From and after this date, if installments are not paid by the night of the 5th of the month, the debenture shall be null and void, but may be reinstated any time within thirty (30) days by payment of a "reinstatement fee" of one dollar in addition to the regular installment.

By order of the board of directors:

J. P. WILLIAMS, *Secretary.*

New Orleans, La., March 31, 1896.

[Endorsed:] No. 56658. Civil dist. court. State of Louisiana v. N. O. Debenture Redemption Co., Ltd. Offered in evidence by pl'ff. Filed Feb'y 1st, 1899. (Signed) Joe Garidel, d'y cl'k. P 33.

[*The above special notice printed in red ink.]

373

No. 56658.

Civil Dist. Court.

STATE OF LOUISIANA
vs.
N. O. DEBENTURE REDEMPTION CO., LTD.

Offered in evidence by pl'ff. Filed Feb'y 1st, 1899. (Signed) Joe Garidel, d'y cl'k.

No. 498.

Application for Debentures Issued by the New Orleans Debenture Redemption Company of Louisiana, Limited, New Orleans, La.

—— —, 189–.

The undersigned agrees to purchase —— debentures issued by the New Orleans Debenture Redemption Company, Limited, subject to the terms and conditions endorsed hereon, and which are made part of this contract.

Name: —— ——.
Street address: ——.
City or town: ——.
Parish or county: ——.
State: ——.

Witness:
—— ——, *Agent.*

Read other side for conditions which our agents are not allowed to change.

P 34.

Terms and Conditions Referred to in Application.

Payments on each debenture shall be:

Two dollars, in advance for the reserve fund (advance fee), paid to an authorized agent and for which the applicant will be handed a receipt signed by such agent: and

A monthly instalment of $2.00, payable in advance at the home office, in New Orleans, or at one of the company's local depositories, having the proper official receipts signed by the president and secretary, and properly countersigned.

All payments must be made in advance, without notice, on or before the first day of each month during the continuance of the contract.

Failure to pay the monthly instalment on or before the fifth day of the month, at 3 o'clock p. m., forfeits all prior payments made, and renders null and void the debenture or debentures upon which the monthly instalments are due and unpaid; but said debenture may be reinstated any time within 30 days by payment of a reinstatement fee of $1.00 on each debenture, in addition to the monthly instalment which shall have been passed, together with the succeeding monthly instalment if it has then become due.

If the fifth of the month falls on a Sunday or legal holiday monthly instalments must be paid on the following legal day by 3 o'clock p. m.

Thirty days after such non-payment and forfeiture, upon the delivery and surrender of the said debenture or debentures to the company, the debenture-holder will be entitled to receive a return in cash of fifty per cent. of the monthly instalments paid, provided at least seven monthly instalments have been paid.

The redemption value of a debenture shall be an amount equal to the monthly instalments paid in together with 50 per cent. profit on same.

Debentures are numbered in numerical order and are non-transferable before maturity.

Debentures mature six years from and after their date, unless sooner redeemed in accordance with the terms of the company's charter.

No person is authorized to make, alter or discharge contracts, or waive forfeitures.

No person is authorized to grant an extension of time for payments of advance fee or monthly instalments.

The applicant further agrees to notify the New Orleans Debenture Redemption Company, Limited, No. 200 Camp street, New Orleans, La., of any error or change in his or her address, in writing, at the same time giving the numbers of all debentures issued to him or her and in force.

P 35.

Application for Debentures Issued by the New Orleans Debenture Redemption Company of Louisiana, Limited, of New Orleans, La.

APRIL 10TH, 1896.

The undersigned agrees to purchase 5 shares debentures issued by the New Orleans Debenture Redemption Company, Limited, subject to the terms and conditions endorsed hereon, and which are made part of this contract.

(Sg.)

Name: THOMAS RYAN,
P. O. address: 513 *Canal St.*,
Parish or county: *Orleans Parish*,
State: *Louisiana.*

Witness:

(Sg.) JOS. DUQUESNE, *Agent.*

Examined and approved:

——— ———,
Manager of Agents.

7908–12.

Payments on debentures shall be two dollars for each and every debenture, payable monthly, in advance.

The first monthly installment must be paid to an authorized agent taking the application, and for which the applicant will be handed

a receipt signed by such agent; all other payments must be made at the home office, in New Orleans, La., by mail or in person, or at one of the company's local depositories.

All other payments must be made in advance, without notice, on or before the first day of each month during the continuance of the contract.

Failure to pay the monthly installments on or before the fifth day of the month, at 3 o'clock p. m., forfeits all prior payments made, and renders null and void the debenture or debentures upon which the installments are due and unpaid; if the fifth of the month falls on a Sunday or legal holiday, installments must be paid the following legal day by 3 o'clock p. m.

Thirty days after such forfeiture, upon the delivery and surrender of the debenture or debentures to the company, the debenture-holder will be entitled to receive a return in cash of fifty per cent. of the monthly installments paid; provided, seven monthly installments have been paid.

Debentures are numbered in numerical order and are non-transferable before maturity.

Debentures mature in six years from and after their date, unless sooner redeemed.

Debentures begin to be redeemed from month to month, in numerical order, after seven monthly installments have been paid.

All installments are due and payable at the company's office, in New Orleans, but local depositories having the proper official receipts signed by the president and secretary and properly countersigned, are authorized to receive installments.

No person is authorized to make, alter or discharge contracts, or waive forfeitures.

No person is authorized to grant an extension of time for payment of installments.

The undersigned further agrees to notify the New Orleans Debenture Redemption Company, Limited, No. 627 Gravier street, New Orleans, La., of any error or change in his or her post-office address, in writing, at the same time giving the numbers of all debentures issued and in force.

[Endorsed:] No. 56658. Civil dist. court. State of Louisiana *v.* N. O. Debenture Redemption Co., Ltd. Offered in evidence by pl'ff. Filed Feb'y 1st, 1899. (Sg.) Joe Garidel, d'y cl'k.

374 Officers: Walter H. Rogers, president; W. L. Saxon, vice-pres't; J. P. Williams, sec't'y & treas.; Rogers & Dodds, gen'l att'ys.

Directors: H. B. Byrne, G. D. Feldner, J. L. Herwig, Gordon S. Orme, Walter H. Rogers, J. B. Sinnott, W. L. Saxon, J. P. Williams.

The New Orleans Debenture Redemption Company of Louisiana, Ltd. Office, 200 Camp St.

'Phone 1472.

NEW ORLEANS, *January* 29, 1899.

Statement Showing Number of Debentures Actually in Force This Date, with Amounts Paid in by Them.

Month sold.	Number in force.	Instalments paid.
1896.		
Oct.	418	$23,408.00
Nov.	849	45,846.00
Dec.	615	31,980.00
1897.		
Jan'y.	912	45,600.00
Feb.	463	22,224.00
March	965	44,390.00
April	755	33,220.00
May	931	39,102.00
June	740	29,600.00
July	452	17,176.00
August	643	23,148.00
Sept.	390	13,260.00
Oct.	250	8,000.00
Nov.	256	*7,660.00
Dec.	186	5,208.00
1898.		
Jan'y.	176	4,576.00
Feb.	205	4,920.00
March	243	5,346.00
April	215	4,300.00
May	233	4,194.00
June	102	1,632.00
July	21	350.00
Aug.	24	288.00
Sept.	53	530.00
Oct.	149	1,192.00
Nov.	126	756.00
Dec.	47	188.00
1899.		
Jan'y.	163	326.00
	10,582	418,420.00
Initiation fee on 10,582 debs.		21,164.00
		439,584.00

*Error.

[Endorsed:] No. 56658. Civil district court. State of Louisiana vs. N. O. Debenture Redemption Co., Ltd. Offered in evidence by pl'ff. Filed Feb'y 1st, 1899. (Signed) Joe Garidel, d'y cl'k. P. 27.

375 * Page 110, 119, 285.

Officers: Walter H. Rogers, president; W. L. Saxon, vice-pres't; J. P. Williams, sec't'y & treas.; Rogers & Dodds, gen'l att'ys.
Directors: H. B. Byrne, G. D. Feldner, J. L. Herwig, Gordon S. Orme, Walter H. Rogers, J. B. Sinnott, W. L. Saxon, J. P. Williams.

The New Orleans Debenture Redemption Company of Louisiana, Ltd. Office, 200 Camp St.

'Phone 1472.

NEW ORLEANS, *January* 20, 1899.

Statement Showing Monthly Instalments Received to Date, Apportionment Among the Several Funds, and Present Status of said Funds.

A Year ending Sept.—	B Instalments.	C Redemption fund.	D Reserve fund.	E Expense fund.
1895.....	33,064.00	21,491.60	8,266.00	3,306.40
1896.....	108,128.00	70,283.20	26,129.60	11,715.20
1897.....	256,940.00	167,011.00	64,235.00	25,694.00
1898.....	314,854.00	204,655.10	78,713.50	31,485.40
To date	90,684.00	58,944.60	22,671.00	9,068.40
	803,670.00	522,385.50	200,015.10	81,269.40

Redemption fund.

Amount as above.....		$522,385.50
Paid in redemptions.....	$491,778.00	
Paid in surrenders..... .	22,103.89	
		513,881.89
Balance on hand		8,503.71

Reserve fund.

Amount as above.....		$200,015.10
Fines	$2,083.00	
Interest	20,957.09	
		23,049.09
		$223,055.19

[* In pencil in copy.]

Commission to agents...	15,824.00	
Royalty...	3,957.80	
Renewal interest	4,004.45	
		23,786[illegible]
Balance on hand		$199,268.84

* Page 187. Expense fund credit $1,613.61.

[Endorsed:] Civil district court. State of Louisiana vs. N. O. Debenture Redemption Co., Ltd. Offered in evidence by plff. Filed March 2d, 1899. (Sg.) Joe Garidel, d'y cl'k. P 38.

[* In pencil in copy.]

Abstract Showing Sales, Redemptions, and Lapses from Month to Month—Lapsed after Paying Monthly Instalments.

	Month.	Cfs. redeemed.	Lapsed.	Sold.	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
	1894.																												
	Oct.		420	30	450		29			1																			
	Nov.		130	28	158		23	2		1	2																		
	Dec.		171	87	258		78	6	2			1																	
	1895.																												
	Jan'y.		206	56	262		20	23	12				1																
	Feb.		260	154	414		137	15	2																				
	Mar.		210	221	431		203	4	1			5	2		6														
	Ap'l.		70	62	132		47	9	3				2		1														
	May.		125	27	152		25	1	1																				
	June		125	33	158		28	3		1					1														
	July.		90	27	117		27																						
	Aug.		365	109	474		83	25		1																			
	Sept.		259	165	424		142	10	3	10																			
	Oct.		149	69	218		65	3						1															
	Nov.		313	44	387		31	5					7	1															
	Dec.		365	47	412		40	3	1				1			2													
	1896.																												
	Jan'y.		525	92	617		82	3	2	3			1		1														
	Feb.		793	119	912		91	11	3	2		2	8	2															
	Mar.		771	177	948		138	4	8	5		20				1		1											
	Ap'l.		805	183	988		149	23	4		2				3	2													
	June		506	179	685	172					5	1	1																
	July.		940	193	1,133	169	7			2			10	5															
	Aug.		822	208	1,030	173	6	26					1			1		1											
	Sept.		724	180	904	146	10	3	5							2			2	10						2			
104*	Oct.	522	48	190	760	160	13	9			1		4		3														
			9,222*																										

[* In pencil in copy.]

33—129

LA., LIMITED, ET AL. VS. THE STATE OF LOUISIANA. 257

15236

Abstract Showing Sales, Redemptions, and Lapses from Month to Month, etc.—Continued.

	Month.	Cfs. redeemed.		Lapsed.	Sold.	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
	Nov.	849		237	1,086	203	11	6	..	.....	..	2	3	2	..	...	..	..	...	...	...	..	...	...	...	10	..	..	..	
9*	Dec.	624		243	867	219	1	3	1	.....	..	..	11	...	..	4	..	..	...	...	...	..	...	...	...	...	..	2	..	
	1897.																					2	...	...	...	...	..	...	..	
4*	Jan'y.	916		211	1,127	157	13	5	2	..	..	1	.....	7	5	...	..	..	2	...	..	2	1	..	4	2	..	..	10	
9*	Feb.	472		195	667	154	24	2	..	6	2	1	.....	1	1	1	..	..	...	...	...	...	...	1	...	...	2	..		
24*	Mar.	989		363	1,352	268	14	4	2	11	2	..	6	...	10	...	..	..	1	..	..	...	...	...	15	18	12			
50*	Ap'l.	805		241	1,046	164	16	2	11	1	..	..	.....	1	..	...	3	..	...	1	1	2	10	10	5	14				
53*	May.	984		315	1,299	176	9	1	5	4	4	..	10	21	..	38	10	9	2	..	..	3	..	16	7					
61*	June	801		353	1,154	158	12	6	..	2	..	..	3	2	15	4	..	43	7	1	15	43	36	6						
42*	July.	494		425	919	185	31	2	4	....	1	..	.....	2	18	5	8	4	17	2	31	14	101							
44*	Aug.	687		314	1,001	153	20	5	1	7	..	2	5	...	6	15	37	14	7	20	15	7							
39*	Sept.	429		259	688	108	33	11	2	2	..	..	3	...	7	...	25	4	8	46	10								
53*	Oct.	303		243	546	169	2	...	5	1	2	..	18	22	1	10	5	...	1	7									
31*	Nov.	267		171	438	95	4	7	..	...	1	5	15	2	..	5	3	3	31										
27*	Dec.	213		211	424	103	32	.....		7	...		29	1	7	5	2	25											
	1898.																												
21*	Jan'y.	197		152	349	60	19	4	..	25	2	..	9	...	10	18	5												
18*	Feb.	223		160	383	91	.....	4	..	3	...	..	57	4	..	1													
17*	Mar.	260		192	452	144	16	4	8	...	...		15	5															
	Ap'l.	215		170	385	108	24	4	4	.....	...		.....	30															
	May.	233		124	357	75	6	10	..	10	...		23																
3*	June	105		93	198	85	7	...	1																				
	July	25		32	57	32																							
589*	Aug.	24		3	27	2	.....	...	1																				
	Sept.	53		26	79	26																							
Forward	.....	10,690	9,222	7,413	27,325	3,755	1,768	268	94	105	24	40	245	109	95	114	98	104	78	87	72	73	148	33	31	46	12	4	10	
													1,350*																

[* In pencil in copy.]

[Endorsed:] No. 56658. Civil district court. State of Louisiana *v.* N. O. Debenture Redemption Co., Ltd. P. 40. Offered in evidence by plaintiff. Filed February 1st, 1899. (Signed) Jos Caridel, d'y clerk. P. 40 & 50.

COPY BOUND CLOSE IN CENTER

P 41 & P 36.

	Month.	Cfs. redeemed.		Lapsed.	Sold.	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Forward ...	.....	10,690	9,222	7,413	27,325	3,755	1,768	268	94	105	24	40	245	109	95	114	98	104	78	87	72	73	148	33	31	46	12	4	10
	Oct.	149		29	178	26	3																						
	Nov.	126		36	162	10	26																						
	Dec.	47		33	80	33																							
	Jan'y.....	163		.....	163																								
		11,175	9,222	7,511	27,908	3,824	1,797	268	94	105	24	40	245 1,359*	109	95	114	98	104	78	87	72	73	148	33	31	46	12	4	10

[* In pencil in copy.]

[Endorsed:] No. 56658. Civil district court. State of Louisiana *v.* N. O. Debenture Redemption Co., Ltd. P 41. 578*. Offered in evidence by pl'ff. Filed February 1st, 1899. (Signed) Joe Garidel, d'y clerk. 40, 41, & 42*. 378*. P 41 & 36.

152,377

378 P 42.

Segregation or Analysis of the Totals or Footings of the Several Columns of the Statistical Tables of Lapses & Surrenders. Filed & Marked P 40 & 41.

	Segregation.	Total No.	Amount.		Total.
			Initiation fee.	Instalts.	
Column 0	.....	3,824			
P'd no initiation					
P'd initiation fee	3,824	.....	$7,648	.....	$7,648
Column 1	.....	1,797			
P'd no fee	1,438	.....	.....	$2,876	2,87
P'd fee	359	.....	718	718	1,43
Column 2	.....	268			
P'd no fee	150	.....	.....	600	60
P'd fee	118	.....	236	472	70
Column 3	.....	94			
P'd no fee	42	.....	.....	252	25
P'd fee	52	.....	104	312	41
Column 4	.....	105			
P'd no fee	24	.....	.....	192	19
P'd fee	81	.....	162	648	81
Column 5	.....	24			
P'd no fee	4	.....	.....	40	4
P'd no fee	20	.....	40	200	24
Column 6 (page 116)*	.....	40			
P'd no fee, 1,686 ($4,296.00)*	28	.....	.....	336	33
P'd fee, 4,466 (8,932.00 & instalment, $2,494.00)*	12	.....	24	144	16
	6,152	6,152	8,932	6,790	15,72
Column 7	.....	245			
P'd no fee	22	.....	.....	308	3
P'd fee	223	.....	446	3,122	3,56
Column 8	.....	109			
P'd no fee	4	.....	.....	64	6
P'd fee	105	.....	210	1,680	1,8
Column 9	.....	95			
P'd no fee	12	.....	.....	216	2
P'd fee	83	.....	166	1,494	1,6
Column 10	.....	114			
P'd no fee	5	.....	.....	100	1
P'd fee	109	.....	218	2,180	2,3
Column 11	.....	98			
P'd no fee.					
P'd fee	98	.....	196	2,156	2,3
Column 12	.....	104			
P'd no fee	1	.....	.....	24	
P'd fee	103	.....	206	2,472	2,6
Column 13	.....	78	156	2,028	2,1
(From this point on all have paid the initiation fee.)					
Column 14	.....	87	174	2,436	2,6
Column 15	.....	72	144	2,160	2,3
Column 16	.....	73	146	2,336	2,4
Column 17	.....	148	296	5,032	5,3
Column 18	.....	33	66	1,188	1,2

[* Words and figures in parentheses in pencil in copy.]

Segregation or Analysis of the Totals or Footings—Continued.

	Segregation.	Total No.	Amount.		Total.
			Initiation fee.	Instalts.	
Column 19		31	62	1,178	1,240
Column 20		46	92	1,840	1,932
Column 21		12	24	504	528
Column 22, 44, no fee		4	8	176	184
Column 23, 1,315, fee		10	20	460	480
		1,359	2,630	33,154	35,784
		6,152	8,932	6,790	15,722
		7,511	11,562	39,944	51,506

[Endorsed:] No. 56658. Civil district court. State of Louisiana *vs.* N. O. Debenture Redemption Co., Ltd. Offered in evidence by pl'ff. Filed Feb'y 1st, 1899. (Sg.) Joe Garidel, d'y cl'k. P 42. Segregation or analysis of columns or totals in statistic of lapses & surrenders. Filed & marked P 40 & 41. P 42.

379

P 43.

Abstract showing number of lapses that occurred each month during the continuance of this company, amount paid company by holders, age at forfeiture, together with amounts paid as initiation fees and not received by company. N. O. Debenture Red. Co. of La., Ltd. (Sg.) J. P. Williams, sec't'y.

A.	B.	C.	D.	E.	F.	G.	H.
	No.	Age.	P'd company.	Total.	P'd agents.	Total p'd ag'ts.	Total p'd.
1894-'5.							
Oct.							
Nov	29	1	58	58			
Dec	23	1	46	46			
Jan'y	28	1	156				
	2	2	8	164			
Feb'y	20	1	40				
	6	2	24				
	1	4	8	72			
March	137	1	274				
	23	2	92				
	2	5	12				
	1	4	8	386			
April	203	1	406				
	15	2	60				
	12	3	72				
	2	5	20				
				558			

Abstract Showing Number of Lapses, etc.—Continued.

	No.	Age	P'd company.	Total.	P'd agents.	Total p'd ag'ts.	Total p
May	47	1	94				
	4	2	16				
	2	3	12				
				122			
June	25	1	50				
	9	2	36				
	1	3	6				
	1	6	12				
				104			
July	28	1	56				
	1	2	4				
	3	3	18				
				78			
Aug	27	1	54				
	3	2	12				
	1	3	6				
				72			
Sept	83	1	166				
	5	6	60				
				226			
	794						
				1,886			
1895-'6.							
Oct	142	1	284				
	25	1	100				
	1	4	8				
				392			
Nov	65	1	130				
	10	2	40				
				170			
Dec	31	1	62				
	3	2	12				
	3	3	18				
	1	4	8				
				100			
Jan'y	40	1	80				
	5	2	20				
	10	4	80				
				180			
Feb'y	82	1	164				
	3	2	12				
				176			
March	91	1	182				
	3	2	12				
	1	3	6				
				200			
April	138	1	276				
	11	2	44				
	2	3	12				
				332			
May	149	1	298				
	4	2	16				
	3	3	18				
	3	4	24				
				356	344		
June	172	0	.....				
	23	2	92				
	8	3	48				
	2	4	16				
				156	.....	344	

Abstract Showing Number of Lapses, etc.—Continued.

	No.	Age.	P'd company.	Total.	P'd agents.	Total p'd ag'ts.	Total p'd.
July	169	0			338		
	4	3	24				
	5	4	40				
				64		338	
Aug	173	0			346		
	7	1	14		14		
	2	6	24				
				38		360	
Sept	146	0			292		
	6	1	12		12		
	2	5	20				
	20	6	240	272		304	
	1,565			2,436		1,346	3,782
1896–'7.							
Oct	160	0			320		
	10	1	20		20		
	26	2	104		52		
				124		392	
Nov	203	0			406		
	13	1	26		26		
	3	2	12		6		
	2	4	16		4		
	5	5	50		10		
				104		452	
Dec	219	0			438		
	11	1	22		22		
	9	2	36		18		
	5	3	30		10		
	1	6	12		2		
				100		490	
Jan'y	157	0			314		
	1	1	2		2		
	6	2	24		12		
				26		328	
Feb'y	154	0			308		
	13	1	26		26		
	3	2	12		6		
				38		340	
March	268	0			536		
	24	1	48		48		
	5	2	20		10		
	1	3	6		2		
	1	5	10		2		
				84		598	
Ap'l	164	0			328		
	14	1	28		28		
	2	2	8		4		
	2	3	12		4		
				48		364	
May	176	0			352		
	16	1	32		32		
	4	2	16		8		
	2	6	24		4		
				72		396	
June	158	0			316		
	9	1	18		18		
	2	2	8		4		
	2	3	12		4		
	6	4	48		12		
				86		354	

Abstract Showing Number of Lapses, etc.—Continued.

	No.	Age.	P'd company.	Total.	P'd agents.	Total p'd ag'ts.	Total p'd
July	185				370		
	12	1	24		24		
	1	2	4		2		
	11	3	66		22		
	11	4	88		22		
	2	5	20		4		
	1	6	12		2		
				214		446	
Forward to next page	2,080			896		4,160	
Forward	2,080			896		4,160	
August	153	0			306		
	31	1	62		62		
	6	2	24		12		
	5	3	30		10		
	1	4	8		2		
	2	5	20		4		
	1	6	12		2		
				156		398	
Sept	108	0			216		
	20	1	40		40		
	2	2	8		4		
	4	4	32		8		
				80		268	
	2,413			1,132		4,826	5,958
1897-'8.							
Oct	169	0			338		
	33	1	66		66		
	5	2	20		10		
	4	3	24		8		
	2	4	16		4		
	4	5	40		8		
				166		434	
Nov	95				190		
	2	1	4		4		
	11	2	44		22		
	1	3	6		2		
				54		218	
Dec	103				206		
	4	1	8		8		
	2	3	12		4		
	7	4	56		14		
	1	5	10		2		
				86		234	
Jan'y	60				120		
	32	1	64		64		
	7	2	28		14		
	5	3	30		10		
	2	4	16		4		
				138		212	
Feb'y	91				182		
	19	1	38		38		
	1	4	8		2		
	2	6	24		4		
				70		226	
March	144				288		
	4	2	16		8		
	2	5	20		4		
				36		300	

Abstract Showing Number of Lapses, etc.—Continued.

	No.	Age.	P'd company.	Total.	P'd agents.	Total p'd ag'ts.	Total p'd.	
	108	.....	.....	.....	216			
April	16	1	32	.....	32			
	4	2	16	.....	8			
	7	4	56	.....	14			
	1	5	10	.....	2			
				114		272		
	75	.....	.....	.....	150			
May.....	24	1	48	.....	48			
	4	2	16	.....	8			
	25	4	200	.....	50			
	5	6	60	.....	10			
				314		266		
	85	.....	.....	.....	170			
June	6	1	12	.....	12			
	4	2	16	.....	8			
	8	3	48	.....	16			
	3	4	24	.....	6			
	2	5	20	.....	4			
				120		216		
Forward to next page...	1,189	.....	.....	1,108	.....	2,378		
Forward.....	1,189	.....	.....	1,108	.....	2,378		
	32	0	.....	.....	64			
July.....	7	1	14	.....	14			
	10	2	40	.....	20			
	4	3	24	.....	8			
				78		106		
	2	.....	.....	.....	4	4		
Aug	26	.....	.....	.....	52			
Sept.....	1	3	6	.....	2			
	10	4	80	.....	20			
				86		74		
						2,612		3,834
	1,281	*		1,272				
1898-'9.								
Oct.....	26	0	.....	.....	82	52		
					20			
Nov.....	10	0	.....	.....	6			
	3	1	6	.....		26		
				6		12		
	1	3	6	6	.....			
	33	.....	.....	.....	66			
Dec.....	26	1	52	.....	52	118		
				52				
				64		198		262
	99							

Abstract.

1894-'5.....	794	.....	.....	1,886				
1895-'6.....	1,565	.....	.....	2,436				
1896-'7.....	2,413	.....	.....	1,132	.....	1,346		
1897-'8.....	1,281	.....	.....	1,272	.....	4,826		
To date.	99	.....	.....	64	.....	198		
	6,152			6,790		6,370		13,160

[* In pencil in copy.]

[Endorsed:] No. 56658. Civil district court. State of Lousiana *v.* N. O. Debenture Redemption Co., Ltd. Offered in evidence by plaintiff. Filed February 7th, 1899. (Sg.) Joe Garidel, d'y cl'k. P 43.

380 P 44.

Abstract showing number of debentures surrendered, month by month, amounts paid by holders to company and to agents, and amounts paid holders of surrendered debentures. N. O. Debenture Red. Co. of La., Ltd. (Sg.) J. P. Williams, sec't'y.

A.	B.	C.	D.	E.	F.	G.	H.	I.	
Year.	No.	Age.	Paid company. Details.	Paid company. Totals.	Paid agent. Details.	Paid agent. Totals.	Total paid.	Surrenders paid.	
1894–'5.									
Aug.	1	7		14					
1895–'6.									
Oct.	2	7		28				7	
Nov.	2	7		28					
Dec.	6	9		108				45	
Jan'y.	1	9		18				9	
Mar.	1	9		18				18	9 Feb. 9 M'ch.
June	7	7	98					7	May 9.
	1	8	16					8	June 1.
				114					
July	1	7	14						
	1	8	16						
				30					
Aug.	1	7		14				14	
Sept	8	7		112				7	
	31			470				115	
1896–'7.									
Oct.	2	8	32						
	1	9	18						
	2	10	40						
				90			90	10	
Jan'y.	1	7	14		14			19	Nov. 25.
	3	9	54					77	Dec.
	1	10	20					21	Jan'y.
				88		14	102		
Feb'y.	10	7	140		20				
	2	10	40						
				180		20	200		
Mar.	1	7	14		2				
	5	8	80		10				
	1	12	24						
				118		12	130	34	
May.	4	7		56	8	8	64	70	Ap'l 6.
June	3	7	42		6				
	1	10	20		2				
				62		8	70		
July	11	7	154		22			96	
	2	8	32		4			30	Aug.
	3	9	54		6				
	2	10	40		4				
				280		36	316		
Sept.	7	8	112		14				
	1	12	24		2				
				136		16	152	166	90
	63			1,010		114	1,124	473	90

Abstract Showing Number of Debentures Surrendered, etc.—Continued.

Year.	No.	Age.	Paid company.		Paid agent.		Total paid.	Surrenders paid.
			Details.	Totals.	Details.	Totals.		
1897–'8.								
Oct	6	7	84		12			
	1	8	16		2			
	5	9	90		10			
	4	10	80		8			
	2	13	52		4			
				322		36	358	138
Nov	1	9	18		2			
	10	14	280		20			
				298		22	320	101
Dec	10	7	140		20			
	1	8	16		2			
	10	9	180		20			
	1	10	20		2			
				356		44	400	
Jan'y	3	7	42		6			
	71	8	336		42			
				378		48	426	212
Feb'y	2	8	32		4			
	5	13	52		4			
				84		8	92	23
March	5	7	70		10			
	2	8	32		4			
	15	9	270		30			
	38	10	760		76			
	3	11	66		6			
				1,198		126	1,324	658
April	3	7	42		6			
	18	9	324		36			
	4	10	80		8			
	10	11	220		20			
	1	13	26		2			
	2	16	64		4			
				756		76	832	768
May	18	7	252		36			
	6	9	108		12			
	5	10	100		10			
	9	12	816		18			
	2	16	64		4			
	2	20	80		4			
				820		84	904	643
June	15	7	210		30			
	22	8	352		44			
	7	9	176		14			
	15	10	300		30			
	8	11	176		16			
	43	12	1,032		86			
	2	13	52		4			
	1	14	28		2			
	1	17	34		2			
				2,310		228	2,538	1,176
Forward	336	....	.....	6,522	.....	672	7,194	3,719

Abstract Showing Number of Debentures Surrendered, etc.—Continued.

Year.	No.	Age.	Paid company.		Paid agent.		Total paid.	Surrenders paid.
			Details.	Totals.	Details.	Totals.		
Forward.	336	...	.....	6,522	.....	672	7,194	3,719
July.....	29	7	406	.....	58			
	2	8	32	.....	4			
	1	9	18	.....	2			
	37	11	814	.....	74			
	4	12	96	.....	8			
	7	13	182	.....	14			
	1	15	30	.....	2			
	10	20	400	.....	20			
				1,978		182	2,160	912 75
Aug.....	9	7	126	.....	18			
	1	8	16	.....	2			
	10	10	200	.....	20			
	25	11	550	.....	50			
	14	12	336	.....	78			
	17	13	442	.....	34			
	1	14	28	.....	2			
	2	16	64	.....	4			
	1	18	36	.....	2			
	4	19	152	.....	8			
				1,950		168	2,118	312 25
Sept.....	57	7	798	.....	114			
	7	9	126	.....	14			
	5	10	100	.....	10			
	5	11	110	.....	10			
	4	12	96	.....	8			
	7	13	182	.....	14			
	2	14	56	.....	4			
	15	15	450	.....	30			
	3	16	96	.....	6			
	10	17	340	.....	20			
	2	20	80	.....	4			
				2,434		234	2,668	1,742
	628			12,884		1,256		6,586
To Dec., '98.								
Oct.....	15	7	210	.....	30			
	4	8	64	.....	8			
	10	9	180	.....	20			
	5	10	100	.....	10			
	3	11	66	.....	6			
	8	13	208	.....	16			
	20	14	560	.....	40			
	31	15	930	.....	62			
	43	16	1,376	.....	86			
	10	18	360	.....	20			
	15	19	570	.....	30			
	2	22	88	.....	4			
				4,712		332	5,044	2,225
Nov.....	5	8	80	.....	10			
	18	10	360	.....	36			
	2	11	44	.....	4			
	3	12	72	.....	6			
	1	13	26	.....	2			
	46	14	1,288	.....	92			

Abstract Showing Number of Debentures Surrendered, etc.—Continued.

Year.	No.	Age.	Paid company.		Paid agent.		Total paid.	Surrenders paid.
			Details.	Totals.	Details.	Totals.		
	15	15	450		30			
	14	16	448		28			
	36	17	1,214		72			
	16	18	576		32			
	5	19	190		10			
	18	20	770		36			
				5,468		358	5,826	2,825
Dec.	23	7	322		46			
	30	8	480		60			
	1	10	20		2			
	5	11	110		10			
	25	12	600		50			
	31	13	806		62			
	7	14	196		14			
	10	15	300		70			
	7	16	224		14			
	101	17	3,434		202			
	6	18	216		12			
	7	19	266		14			
	14	20	560		28			
	12	21	504		24			
	2	22	88		4			
	10	23	460		70			
				8,586		582	9,168	4,221
	636			18,766		1,272	20,038	9,271

Recapitulation.

Year.	No.	Age.	Paid company.	Paid agent.	Total paid.	Surrenders p'd.
1894-'5	1	....	14	.....	14	
1895-'6	31	....	470	.....	470	115
1896-'7	63	.....	1,010	114	1,124	473.90
1897-'8	628	....	12,884	1,256	14,140	6,586
To Dec., '98	636	....	18,766	1,272	20,038	9,271
	1,359		33,144	2,642	35,786	16,445.90
						5,657.99 P'd to Jan'y 20.
						22,103.89

[Endorsed:] No. 59658. Civil district court. State of Louisiana v. N. O. Debenture Redemption Co., Ltd. Offered in evidence by plaintiff. Filed February 7th, 1899. (Sg.) Joe Garidel, d'y cl'k. P 44.

381 P 45.

Abstract showing number of debentures redeemed from April, 1895, to Jan'y, 1896, inclusive, in detail, giving am'ts paid on each and the redemption value thereof. N. O. Debenture Redemption — of La., Ltd. (Sg.) J. P. Williams, sec'ty.

A. Date.	B. No. redeemed.	C. Age.	D. On No. in instalments of $6 each	E. Am't p'd in instalments.	F. Ins. fee.	G. Total paid by holders.	H. Total rec'd by holders.	I. Redemption value thereof.
April, '95	75	14	7	1,050	.....	1,050	1,575 00	
May, "	81	16	8	1,296	.....	1,296	1,944	
June, "	85	18	9	1,530	....	1,530	2,295	
July, "	83	20	10	1,660	....	1,660	2,490	
Aug., "	96	22	11	2,112	.....	2,112	3,168	
420* Sept., "	90	22	11	1,980	.....	1,980	2,970	
	510			9,628	.....	9,628	14,442 00	
Oct., '95	40	24	12	960	.....	.....	.....	
	60	22	11	1,320	.....	2,280	3,420	
	100							
Nov., '95	111	24	12	2,664	.....	2,664	3,996	
171* Dec., '95	107	24	12	2,568	....	2,568	3,852	
Jan'y, '96	99	26	13	2,574	.....	2,574	.....	
206*	9	24	12	216	.....	216	4,185	
	108							
Feb'y, '96	115	26	13	2,990	....	2,990	4,485	
Mar., '96	120	28	14	3,360	.....	3,360	5,040	
244* Apr., '96	16	30	15	480	.....	.....	.....	
	115131	28	14	3,220	....	3,700	5,550	
May, '96	95	30	15	2,850	....	.....	.....	
210*	46141	28	14	1,288	.....	4,138	6,207	
June, '96	24	30	15	720	...	.....	.....	
70* 125*	125	28	14	3,500	.....	.....	.....	
	19168	26	13	494	.....	4,714	7,071	
July, '96	106	28	14	2,968	.....	.....	.....	
125*	69	26	13	1,794	.....	4,762	7,143	
	—175							
Aug., '96	21	28	14	588	....	.....	.....	
70*	182203	26	13	4,732	.....	5,320	7,980	
Sept., '96	183	28	14	5,124	....	.....	.....	
365*	29212	26	13	754	.....	5,878	8,817	
	1691			45,164	.....	45,164	67,746	

[* In pencil in copy.]

Abstract Showing Number of Debentures Redeemed, etc.—Continued.

Date.	No. redeemed.	Age.	On No. installments each.	Am't p'd in installments.	Ins. fee.	Total paid by holders.	Total rec'd by holders.	Redemption value each.
Oct., '96	230	28	14	6,440	.....	.....	.....	42
259*	2232	26	13	52	.....	6,492	9,738	39
Nov., '96	147	28	14	4,116	.....	.....	.....	42
149*	98245	26	13	2,548	.....	6,664	9,996	39
Dec., '96	245	28	14	6,860	.....	.....	.....	42
343*	3248	26	13	78	.....	6,938	10,407	39
Jan'y, '97	266	28	14	7,448	.....	7,448	11,172	42
Feb'y, '97	96	30	15	2,880	.....	.....	.....	45
365*	177273	28	14	4,956	.....	7,836	11,754	42
Mar., '97	280	30	15	8,400	.....	8,400	12,600	45
April, '97	68	32	16	2,176	.....	.....	.....	48
525*	226294	30	15	6,780	.....	8,956	13,434	45
May, '97	300	32	16	9,600	.....	9,600	14,400	48
June, '97	267	34	17	9,078	.....	.....	.....	51
793*	32299	32	16	1,024	.....	10,102	15,153	48
July, '97	314	34	17	10,676	.....	10,676	16,014	51
Aug., '97	307	36	18	11,052	.....	11,052	16,578	54
Sept., '97	118	38	19	4,484	.....	.....	.....	57
771*	196314	36	18	7,056	.....	11,540	17,310	54
	3372			105,704	.....	105,704	158,556	

[* In pencil in copy.]

Abstract Showing Number of Debentures Redeemed, etc.—Continued.

Date.	No. redeemed.	A.	No. instal. paid.	Am't p'd in *in* instalments.	Initiation fee.	Total p'd by holder.	Total rec'd by holder.	Red. value each.
Oct., '97	306	38	19	11,628	.....	11,628	17,442	
Nov., '97	291	40	20	11,640	.....	11,640	17,460	
Dec., '97	12	42	21	504	.....	.....	.....	
805*								
	291303	38	19	11,058	582	12,144	17,343	
Jan'y, '98	300	40	20	11,800	600	12,400	17,700	+12*
Feb'y, '98	285	40	20	11,400	570	11,970	17,100	
Mar., '98	274	42	21	11,508	548	12,056	17,262	
April, '98	265	44	22	11,660	530	12,190	17,490	
May, '98	32	46	23	1,472	64	.....	.....	
	218250	44	22	9,592	436	11,564	16,596	
June, '98	235	46	23	10,810	470	11,280	16,215	
July, '98	230	48	24	11,040	460	11,500	16,560	
Aug., '98	144	50	25	7,200	288	.....	.....	
	66210	48	24	3,168	132	10,788	15,552	100*
Sept., '98	202	50	25	10,100	404	10,504	15,150	
	3151			134,580	5,084	139,664	201,870	
Oct., '98	177	52	26	9,204	354	9,558	13,806	
Nov., '98	170	54	27	9,180	340	9,520	13,770	
Dec., '98	109	56	28	6,104	218	.....	.....	
	48157	54	27	2,592	96	9,010	13,044	
Jan'y, '99	104	56	28	5,824	208	6,032	8,736	
	608			32,904	1,216	34,120	49,356	

Recapitulation of Each Year.

1895	510	.....	.....	9,628	.....	9,628	14,442
1896	1,691	.....	.....	45,164	....	45,164	67,746
1897	3,372	.....	.....	105,704	.....	105,704	158,556
1898	3,151	.....	.....	134,580	5,084	139,664	201,870
Jan'y, '99	608	.....	.....	32,904	1,216	34,120	49,356
	9,332			327,980	6,300	334,280	491,970

Recapitulation of Prem. Rec'pts.

9,332*	Paid in by debentures redeemed		327,980
1,759*	" "	surrendered	44,460
6,152*	" "	lapses	6,790
83*	" "	in suspense	6,020
10,582*	" "	in force Jan'y 29	418,420
27,908*	Total paid in by 27,908 deb		803,670

[* In pencil in copy.]

[Endorsed:] No. 56658. Civil district court. State of Louisiana *v.* N. O. Debenture Redemption Co., Ltd. Offered in evidence by plaintiff. Filed February 7th, 1899. (Sg.) Joe Garidel, d'y cl'k. P 45.

382

P 46.

Abstract showing number of debentures in force as of date Jan'y 29, '99, showing in detail the months in which they were issued and No. of installments paid in on each, giving am'ts in detail and aggregate; also am'ts paid by holders to agents as initiation fees which did not go to company.

List of Debentures in Force to Date, Jan'y 29th, 1899.

A.	B.	C.	D.	E.
Date.	No. instalm'ts paid.	Surrender value.	Am'ts p'd on as installments.	No. deb.
Oct., '96	28	11,704	23,408	418
Nov.,	27	22,923	45,846	849
Dec.,	26	15,990	31,980	615
Jan'y, '97	25	22,800	45,600	912
Feb'y,	24	11,112	22,224	463
Mar.,	23	22,195	44,390	965
April,	22	16,610	33,220	755
May,	21	19,551	39,102	931
June,	20	14,800	29,600	740
July,	19	8,588	17,176	452
Aug.,	18	11,574	23,148	643
Sept.,	17	6,630	13,260	390
Oct.,	16	4,000	8,000	250
Nov.,	15	3,830	7,660	256
Dec.,	14	2,604	5,208	186
Jan'y, '98	13	2,288	4,576	176
Feb'y,	12	2,460	4,920	205
Mar.,	11	2,673	5,346	243
April,	10	2,150	4,300	215
May,	9	2,097	4,194	233
June,	8	816	1,632	102
July,	7	175	350	25
Aug.,	6	.....	288	24
Sept.,	5	.....	530	53
Oct.,	4	.....	1,192	149
Nov.,	3	.....	756	126
Dec.,	2	.....	188	47
Jan'y, '99	1	.....	326	163
		207,570	418,420 00	10,582
				10,586*
Initiation fee- not rec'd by company.....			21,164	
			439,584	

N. O. DEBENTURE RED. CO.
(Sg.) J. P. WILLIAMS, *Sec'y.*

[*In pencil in copy.]

[Endorsed:] No. 56658. Civil district court. State of Louisiana *vs.* N. O. Debenture Redemption Co., Ltd. Offered in evidence by plaintiff. Filed February 7th, 1899. (Sg.) Joe Garidel, d'y cl'k. P 46.

383 Jan'y 20, '99. Page 168. C.*

Statement of Assets and Liabilities.

New Orleans Debenture Redemption Co. of La., Ltd.

Assets.

1. Stocks and bonds:		
5,000 U. S. 4s, at 112¾	5,643.75	
12,000 city premium bonds, at 216.91	26,027.40	
2,500 St. Charles R. R. stock, at 53.5	2,675.00	
4,500 Orleans R. R. gold bonds, at 107.11	4,850.00	
10,000 City & Lake R. R. bonds, at 107.30	10,730.00	
2,000 Lafourche Levee bonds, at 110	2,200.00	
1,000 Morgan L. & T. R. R., at 124	1,240.00	
4,200 Germania Nat'l Bank stock, at 90	3,780.00	
5,000 drainage bonds, at 103	5,150.00	
Brokerage balance	67.44	
		$62,343.59
2. Loans on collateral:		
Loans secured by securities	4,175.00	
" " commercial paper	2,027.94	
" " company's stock	25,655.38	
" " mortgage paper	16,347.00	
		48,205.32
3. Loans on debentures		82,662.23
4. Office fixtures		999.47
5. Cash in bank		36,724.04
6. Open accounts		29,888.76
		$260,823.41

[Endorsed:] Civil district court. State of Louisiana *vs.* N. O. Debenture Redemption Co., Ltd. Offered in evidence by plaintiff. Filed March 2d, 1899. (Sg.) Joe Garidel, d'y cl'k. Bis. P 47.

No.....

Name.....

Address.....

Date.....

Time..... Due.....

Amount.....

Loan acc.....

Interest.....

Net.....

Debentures Nos.....

Paid on each.....

Total.....

Note paid.....

[* In pencil in copy.]

NEW ORLEANS, —— —, 189–.

$—.

— after date I promise to pay to the order of the New Orleans Debenture Redemption Co. of Louisiana, Ltd, at the office of said company in the city of New Orleans, — dollars, for value received, with interest at the rate of eight per cent. per annum from maturity until paid.

This note is secured by pledge of the debentures mentioned on the reverse hereof; and it is especially agreed that should the maker refuse or fail either to pay this note at maturity, or to pay the monthly instalments on said debentures promptly, the holder may cancel them at their surrender value as therein expressed without recourse to legal proceedings and make any transfers required, applying the proceeds so far as necessary to the liquidation of this note. Should the pledged debentures be matured prior to the maturity of this note, the proceeds shall first be applied to the payment of this note, the excess, if any, being paid over to the maker hereof.

Due ——. —— ——.

[Endorsed:] No. 56658. Civil district court. State of Louisiana v. N. O. Debenture Redemption Co., Ltd. Offered in evidence by pl'ff. Filed February 1st, 1899. (Sg.) Joe Garidel, d'y cl'k. P 48.

384

TABLE NUMBER ONE.

This table is based on the supposition that the company issues 100 debentures the first day of its existence, and then stops the sale of debentures, allowing them to work themselves out according to the charter, paying them off in their numerical order, by the expenditure of the "redemption fund" only, until such time as the reserve fund, with its interest earnings, is sufficient to take up all the debentures then in force, interest calculated @ six per cent. per annum on the net reserve.

385

Month.	In force.		Dues.	Redemption fund.	Reserve.	Debentures redeemed
1	100		$200		$180.00	
2	100		200		180.00	
3	100		200		180.00	
3	100		200		180.00	
4	100		200		180.00	
5	100		200		180.00	
		Commission to agents @ $2.20 per debenture.....			220.00	
					900.00	
					680.00	
6	100		200	130.00	50.00	
		Will redeem at $21.		126.00		6
				4.00		
7	100		200	130.00	50.00	
				134.00		
		Will redeem at $24.		120.00		5
				14.00		
8	94		188	122.20	47.00	
				136.20		
		Will redeem at $27.		108.00		4
				28.20		
9	89		178	115.70	44.50	
				143.90		
		Will redeem at $30.		120.00		4
				23.90		
10	85		170	110.50	42.50	3
				134.40		
		Will redeem at $33.		99.00		
				35.40		
11	81		162	105.30	40.50	
				140.70		
		Will redeem at $36.		108.00		3
				32.70		
12	78		156	101.40	39.00	
				134.10		
		Will redeem at $39.		117.00		3
				17.10		
			2,254			28

Total reserve fund	993.50	Com. p'd agents	220
Add interest—		10% expense	234
On 680.00 for 7 months at 6%	23.80	Profit p'd	274
On 313.50 for (approximate) average time of $2\frac{1}{2}$ months	3.90	Total loss	728
Total	1,021.20	Less int. earned	23
Balance of redemption fund	134.10	Net loss	705
Total	1,155.30		
75 debentures outstanding at end of year have paid	1,800.00		
Deficit	644.70		

36 Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
		Forward.....	$2,254	17.10	1,021.20	
			150	97.50	37.50	
13	73			114.60		
		Will redeem at $42.		84.00		2
				30.60		
			144	93.60	36.00	
14	72			124.20		
		Will redeem at $45.		90.00		2
				34.20		
			140	91.00	35.00	
15	70			125.20		
		Will redeem at $48.		96.00		2
				29.20		
			136	88.40	34.00	
16	68			117.60		
		Will redeem at $51.		102.00		2
				15.60		
			132	85.80	33.00	1
17	66			101.40		
		Will redeem at $54.		54.00		
				47.40		
			128	83.20	32.00	
18	64			130.60		
		Will redeem at $57.		114.00		2
				16.60		
			126	81.90	31.50	
19	63			98.50		
		Will redeem at $60.		60.00		1
				38.50		
			122	79.30	30.50	
20	61			117.80		
		Will redeem at $63.		63.00		1
				54.80		
			120	78.00	30.00	
21	60			132.80		
		Will redeem at $66.		132.00		2
				80		
			118	76.70	29.50	
22	59			77.50		
		Will redeem at $69.		69.00		1
				3.50		
			114	74.10	28.50	
23	57			77.60		
		Will redeem at $72.		72.00		1
				5.60		
			112	72.80	28.00	
24	56			78.40		
		Will redeem at $75.		75.00		1
			3,796	3.40	1,406.70	

Add interest to reserve fund—	
@ 6% on 1,021 for 1 year	61.27
" on $385.50 for (approximate) average time	11.55
	1,479.52
Outstanding 56 debentures that have paid	2,688.00
Deficit	1,208.48

387

Month.	In force.		Dues.	Redemption.	Reserve.	Deben redeem
25	55	Forward	3,796	3.30	1,479.52	
			110	71.50	27.00	
26	54		108	74.90	27.00	
				70.20		
		Will redeem at $81.		145.10		
				81.00		1
27	54		108	64.10	27.00	
				70.20		
		Will redeem at $84.		144.30		
				84.00		1
28	53		106	60.30	26.50	
				68.90		
		Will redeem at $87.		129.20		
				87.00		1
29	52		104	52.20	26.00	
				67.60		
		Will redeem at $90.		119.80		
				90.00		1
30	51		102	29.80	25.50	
				66.30		
		Will redeem at $93.		96.10		
				93.00		1
31	50		100	3.10	25.00	
				65.00		
		Will redeem at $96.		68.10		
32	49		98	63.70	24.50	0
		Will redeem at $99.		131.80		
				99.00		1
33	49		98	32.80	24.50	
				63.70		
		Will redeem at $102.		95.50		
34	48		96	62.40	24.00	0
		Will redeem at $105.		157.90		
				105.00		1
35	48		96	52.90	24.00	
				62.40		
		Will redeem at $108.		115.30		
				108.00		1
36	47		94	7.30	23.50	
				61.10		
		Will redeem at $111.		68.40		0
			5,016		1,784.52	

Add interest to reserve fund—

On $1,479.52 for 1 year	88.77
On $305.00 for (approximate) average	9.15
Carry forward	1,882.44
Outstanding 47 debentures, which have paid	3,384.00
Deficit	1,501.56

388

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
		Forward.....	$5,016	68.40	1,882.44	
37	46		92	59.80	23.00	
				128.20		
		Will redeem at $114.		114.00		1
				14.20		
38	46		92	59.80	23.00	
				74.00		
		Will redeem at $117.				0
39	45		90	58.50	22.50	
				132.50		
		Will redeem at $120.		120.00		1
				12.50		
40	45		90	58.50	22.50	
				71.00		
		Will redeem at $123.				0
41	44		88	57.20	22.00	
				128.20		
		Will redeem at $126.		126.00		1
				2.20		
42	44		88	57.20	22.00	
				59.40		
		Will redeem at $129.				0
43	43		86	55.90	21.50	
				115.30		
		Will redeem at $132.				0
44	43		86	55.90	21.50	
				170.20		
		Will redeem at $135.		135.00		1
				35.20		
45	43		86	55.90	21.50	
				91.10		
		Will redeem at $138.				0
46	42		84	54.60	21.00	
				145.70		
		Will redeem at $141.		141.00		1
				4.70		
47	42		84	54.60	21.00	
				59.30		
		Will redeem at $144.				0
48	41		82	53.30	20.50	
				112.60		
			6,064		2,144.44	

Add interest to reserve fund—

On $1,882.44 for 1 year	112.94
On $262.00 for (approximate) average	7.86
	2,265.24
Outstanding 11 debentures, which have paid	3,936.00
Deficit	1,670.76

389

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
		Forward.....	6,064	112.60	2,265.24	
49	41		82	53.30	20.50	
				165.90		
		Will redeem at $150.		150.00		1
				15.90		
50	41		82	53.30	20.50	
				69.20		
		Will redeem at $153.				0

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
51	40		80	52.00	20.00	
52	40	Will redeem at $156.	80	121.20 52.00	20.00	1
		Will redeem at $159.		173.20 159.00		1
53	40		80	14.20 52.00	20.00	
54	39	Will redeem at $162.	78	66.20 50.70	19.50	1
55	39	Will redeem at $165.	78	116.90 50.70	19.50	1
56	39	Will redeem at $168.	78	167.60 50.70	19.50	1
		Will redeem at $171.		218.30 171.00		1
57	39		78	47.30 50.70	19.50	
58	38	Will redeem at $174.	76	98.00 49.40	19.00	1
59	38	Will redeem at $177.	76	147.40 49.40	19.00	1
		Will redeem at $180.		196.80 180.00		1
60	38	Will redeem at $183.	76	16.80 49.40	19.00	1
			7,098	66.20	2,501.24	

Add interest to reserve fund—
On $2,265.24 for 1 year..... 135.91
On $236.00 for (approximate) average..... 7.08

Outstanding 38 debentures, which have paid..... 2,644.23
4,560.00

Deficit..... 1,915.77

380

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
		Forward.....	7,098	66.20	2,644.23	
61	37		74	48.10	18.50	
62	37	Will redeem at $186.	74	114.30 48.10	18.50	1
63	37	Will redeem at $189.	74	162.40 48.10	18.50	1
		Will redeem at $192.		210.50 192.00		1
64	37		74	18.50 48.10	18.50	
65	36	Will redeem at $195.	72	66.60 46.80	18.00	1
66	36	Will redeem at $198.	72	113.40 46.80	18.00	1
		Will redeem at $201.		160.20		1

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
67	36		72	46.80	18.00	
				207.00		
		Will redeem at $204.		204.00		1
				3.00		
68	36		72	46.80	18.00	
				49.80		
		Will redeem at $207.				0
69	35		70	45.50	17.50	
				95.30		
		Will redeem at $210.				0
70	35		70	45.50	17.50	
				140.80		
		Will redeem at $213.				0
71	36		70	45.50	17.50	
				186.30		
		Will redeem at $216.				0
72	35		70	45.50	17.50	
				231.80		
			7,872		2,860.23	

Add interest to reserve fund—	
on $2,641.23 for 1 year	158.64
on 2[illegible]6.00 for (approximate) average	6.48
	3,025.35
Add to this total redemption fund in hand	231.80
	3,257.15
There are outstanding 35 debentures, which have paid	5,040.00
Deficit assets, deficit	1,782.85

281

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
		Forward	7,872	218.80	3,025.35	
73	35		70	45.50	17.50	
				264.30		
		Will redeem at $222.		222.00		1
				42.30		
74	35		70	45.50	17.50	
				87.80		
		Will redeem at $225.				0
75	34		68	44.20	17.00	
				132.00		
		Will redeem at $228.				0
76	34		68	44.20	17.00	
				176.20		
		Will redeem at $231.				0
77	34		68	44.20	17.00	
				220.40		
		Will redeem at $234.				0
78	34		68	44.20	17.00	
				264.60		
		Will redeem at $237.		237.00		1
				27.60		
79	34		68	44.20	17.00	
				71.80		
		Will redeem at $240.				0
80	33		66	42.90	16.50	
				114.70		
		Will redeem at $243.				0
81	33		66	42.90	16.50	
				157.60		
		Will redeem at $246.				0

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
82	33		66	42.90	16.50	
				200.50		
83	33	Will redeem at $249.	66	42.90	16.50	0
				243.40		
84	33	Will redeem at $252.	66	42.90	16.50	0
				286.30		
		Will redeem at $255.		255.00		1
			8,682	31.30	3,227.83	
Add interest to reserve fund					187.59	
					3,415.42	
33 debentures outstanding have paid					$5,544.00	
Less redemption fund on hand				286.58		
And reserve fund				3,415.42		
					3,701.42	
Deficit					1,842.28	
Loss on redemptions					$153.00	
10 % fund					81.00	
					234.00	
Deduct interest earned					187.57	
Net loss					46.43	
Add to former def.					1,795.85	
					1,842.28	

392

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
		Forward	8,682	31.30	3,415.42	
85	33		66	42.90	16.50	
				74.20		
86	32	Will redeem at $258.	64	41.60	16.00	0
				115.80		
87	32	Will redeem at $261.	64	41.60	16.00	0
				157.40		
88	32	Will redeem at $264.	64	41.60	16.00	0
				199.00		
89	32	Will redeem at $267.	64	41.60	16.00	0
				240.60		
90	32	Will redeem at $270.	64	41.60	16.00	0
				282.20		
		Will redeem at $273.		273.00		1
				9.20		
91	32		64	41.60	16.00	
				50.80		
92	31	Will redeem at $276.	62	40.30	15.50	0
				91.10		
93	31	Will redeem at $279.	62	40.30	15.50	0
				131.40		
94	31	Will redeem at $282.	62	40.30	15.50	0
				171.70		
		Will redeem at $285.				0

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
95	31		62	40.30	15.50	
				212.00		
		Will redeem at $288.				0
96	31		62	40.30	15.50	
				252.30		
		Will redeem at $291.				0
					3,005.42	
Add interest to reserve fund					240.60	
			9,442	252.30	3,816.02	
21 debentures outstanding have paid						$5,952.00
Less redemption fund on hand					252.30	
And reserve fund					3,816.02	4,068.32
Deficit						1,883.68
Loss on redemptions					176.00	
3% expense fund					76.00	
					252.00	
Less interest earned					210.60	
Net loss					41.40	
Add to former deficit					1,842.28	1,883.68

NOTE.—The assets will now pay 68 cents on the dollar, as compared with 60 cents at the end of 6th year.

Months.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
		Forward	9,442	252.30	3,816.02	
97	31		62	40.30	15.50	
				292.60		
		Will redeem at $294.				0
98	31		62	40.30	15.50	
				332.90		
		Will redeem at $297.		297.00		1
				35.90		
99	31		62	40.30	15.50	
				76.20		
		Will redeem at $300.				0
100	30		60	39.00	15.00	
				115.20		
		Will redeem at $303.				0
101	30		60	39.00	15.00	
				154.20		
		Will redeem at $306.				0
102	30		60	39.00	15.00	
				193.20		
		Will redeem at $309.				0
103	30		60	39.00	15.00	
				232.20		
		Will redeem at $312.				0
104	30		60	39.00	15.00	
				271.20		
		Will redeem at $315.				0
105	30		60	39.00	15.00	
				310.20		
		Will redeem at $318.				0
106	30		60	39.00	15.00	
				349.20		
		Will redeem at $321.		321.00		1
				28.20		
107	30		60	39.00	15.00	
				67.20		

Months.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
108	29	Will redeem at $324.	58	37.70	14.50	0
				104.90		
		Will redeem at $327.				0
					3,997.02	
Add interest to reserve fund					234.39	
			10,106	104.90	4,231.41	
29 debentures outstanding have paid					6,264.00	
Less redemption fund on hand				104.90		
And reserve fund				4,231.41		
					4,336.31	
Deficit					1,927.69	
Loss on redemption				206.00		
Its expense fund				72.40		
				278.40		
Loss interest earned				234.39		
Net loss				44.01		
Add to former deficit				1,883.68		
					1,927.69	

NOTE.—The assets will pay 69 cents.

304

Months.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
		Forward	10,106	104.90	4,231.41	
109	29		58	37.70	14.50	
				142.60		
110	29	Will redeem at $330.	58	37.70	14.50	0
				180.30		
111	29	Will redeem at $333.	58	37.70	14.50	0
				218.00		
112	29	Will redeem at $336.	58	37.70	14.50	0
				255.70		
113	29	Will redeem at $339.	58	37.70	14.50	0
				293.40		
114	29	Will redeem at $342.	58	37.70	14.50	0
				331.10		
115	29	Will redeem at $345.	58	37.70	14.50	0
				368.80		
		Will redeem at $348.		348.00		1
				20.80		
116	29		58	37.70	14.50	
				58.50		
117	28	Will redeem at $351.	56	36.40	14.00	0
				94.90		
118	28	Will redeem at $354.	56	36.40	14.00	0
				131.30		
119	28	Will redeem at $357.	56	36.40	14.00	0
				167.70		
120	28	Will redeem at $360.	56	36.40	14.00	0
				204.10		
		Will redeem at $363.				0
					4,463.47	
Add interest to reserve fund					270.02	
		Forward	10,854	204.10	4,662.45	

Assets now pay 72 cents on the dollar.

28 debentures outstanding have paid		5,720.00
Less redemption fund in hand	204.10	
And reserve fund	1,662.43	
		1,866.53
		1,853.47
Loss on sale of 1 O.S.	110.00	
Less expenses	88.80	
	184.80	
Interest earned	259.02	
Net profit	74.22	

Deduct from former deficit 1,927.69 leaves $1,853.47.

20

Months	In force		Dues.	Redemption.	Reserve.	Debentures redeemed.
		Forward	10,854	204.10	1,662.43	
121	28		56	36.40	14.00	
				240.50		
122	28	Will redeem at $366.	56	36.40	14.00	0
				276.90		
123	28	Will redeem at $369.	56	36.40	14.00	0
				313.30		
124	28	Will redeem at $372.	56	36.40	14.00	0
				349.70		
125	28	Will redeem at $375.	56	36.40	14.00	0
				386.10		
		Will redeem at $378.		378.00		1
				8.10		
126	28		56	36.40	14.00	
				44.50		
127	27	Will redeem at $381.	54	35.10	13.50	0
				79.60		
128	27	Will redeem at $384.	54	35.10	13.50	0
				114.70		
129	27	Will redeem at $387.	54	35.10	13.50	0
				149.80		
130	27	Will redeem at $390.	54	35.10	13.50	0
				184.90		
131	27	Will redeem at $393.	54	35.10	13.50	0
				220.00		
132	27	Will redeem at $396.	54	35.10	13.50	
				255.10		
		Will redeem at $400.				0
					4,827.43	
Add interest to reserve fund					284.67	
		Forward	11,514	255.10	5,112.10	

Assets will not pay 75 cents on the dollar.

27 debentures outstanding have paid		7,128.00
Less redemption fund in hand	255.10	
And reserve fund	5,112.10	
		5,367.20
Deficit		1,760.80

Loss on redemptions	$126.00	
10 % expense fund	66.00	
	192.00	
Interest earnings	284.67	
Net gain	92.67	
Last deficit	1,853.47	
		1,760.80

206

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
133	27	Forward	11,514	255.10	5,112.10	
			54	35.10	13.50	
				290.20		
134	27	Will redeem at $102.	54	35.10	13.50	0
				325.30		
135	27	Will redeem at $105.	54	35.10	13.50	0
				360.40		
136	27	Will redeem at $108.	54	35.10	13.50	0
				395.50		
137	27	Will redeem at $111.	54	35.10	13.50	0
				430.60		
		Will redeem at $114.		414.00		1
				16.60		
138	27		54	35.10	13.50	
				51.70		
139	26	Will redeem at $117.	52	33.80	13.00	0
				85.50		
140	26	Will redeem at $120.	52	33.80	13.00	0
				119.30		
141	26	Will redeem at $123.	52	33.80	13.00	0
				153.10		
142	26	Will redeem at $126.	52	33.80	13.00	0
				186.90		
143	26	Will redeem at $129.	52	33.80	13.00	0
				220.70		
144	26	Will redeem at $132.	52	33.80	13.00	0
				254.50		
		Will redeem at $135.				0

			5,274.10
Add interest to reserve fund			311.49
Forward	12,150	254.50	5,585.59
26 debentures outstanding have paid			$7,488.00
Less redemption fund in hand		254.50	
And reserve fund		5,582.50	
			5,837.00
Deficit			1,650.91
Loss on redemptions		138.00	
10 % expense fund		66.00	
		204.00	
Interest earnings		511.49	
Gain		109.89	
Deduct from former deficit		1,760.80	
Leaves		1,650.91	

Assets will now pay 78 cents on the dollars.

397 Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
		Forward.....	12,150	254.50	5,582.50	
145	26		52	33.80	13.00	
				288.30		
		Will redeem at $138.				0
146	26		52	33.80	13.00	
				322.10		
		Will redeem at $141.				0
147	26		52	33.80	13.00	
				355.90		
		Will redeem at $144.				0
148	26		52	33.80	13.00	
				389.70		
		Will redeem at $147.				0
149	26		52	33.80	13.00	
				423.50		
		Will redeem at $150.				0
150	26		52	33.80	13.00	
				457.30		
		Will redeem at $153.		153.00		1
				4.30		
151	26		52	33.80	13.00	
				38.10		
		Will redeem at $156.				0
152	25		50	32.50	12.50	
				70.60		
		Will redeem at $159.				0
153	25		50	32.50	12.50	
				103.10		
		Will redeem at $162.				0
154	25		50	32.50	12.50	
				135.60		
		Will redeem at $165.				0
155	25		50	32.50	12.50	
				168.10		
		Will redeem at $168.				0
156	25		50	32.50	12.50	
				200.60		
		Will redeem at $171.				0
					5,736.00	
Add interest to reserve fund.....					339.55	
		Forward.....	12,764	200.60	6,075.64	

25 Debentures outstanding have paid..... $7,883.00
Less reserve fund..... 6,075.64
And balance redemption fund..... 200.60 6,276.24

Deficit..... 1,523.76

Interest earnings..... 339.55
Net loss on redemptions..... $151.
And to 7% expense fund..... 61.40 212.40

Gain..... 127.15
Deduct from former deficit..... 1,650.91 1,523.76

Assets will now pay 80 cents on the dollar.

398

Month.	In force.		Dues.	Redemption.	Reserve.	Debenture redeemed.
157	25	Forward.....	12,764 50	293.60 32.50	6,075.64 12.50	
158	25	Will redeem at $474.	50	326.10 32.50	12.50	9
159	25	Will redeem at $477.	50	265.60 32.50	12.50	9
160	25	Will redeem at $480.	50	298.10 32.50	12.50	9
161	25	Will redeem at $483.	50	330.60 32.50	12.50	9
162	25	Will redeem at $486.	50	363.10 32.50	12.50	9
163	25	Will redeem at $489.	50	395.60 32.50	12.50	9
164	25	Will redeem at $492.	50	428.10 32.50	12.50	9
165	25	Will redeem at $495.	50	460.60 32.50	12.50	9
166	25	Will redeem at $498.	50	493.10 32.50	12.50	9
		Will redeem at $501.		525.60 501.00		1
167	25		50	24.60 32.50	12.50	
168	24	Will redeem at $504.	48	57.10 31.20	12.00	9
		Will redeem at $507.		88.30		9
Add interest to reserve fund					6,225.14 369.02	
Forward			13,592	88.30	6,594.16	
24 debentures outstanding have paid						88,364.00
Less reserve fund						6,594.16
And balance, fund					88.30	
						6,682.46
Deficit						1,381.54
Interest earned					360.02	
Less los. on redemptions					167.00	
And loss exps					53.80	
					220.80	
Gain					112.22	
Deduct from former deficit					1,493.76	
						1,381.54

Assets will not pay 81 cents on the dollar.

169 Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
		Forward	13,392	88.30	6,594.16	
169	24		48	31.20	12.00	
				119.50		
		Will redeem at $540.				0
170	24		48	31.20	12.00	
				150.70		
		Will redeem at $543.				0
171	24		48	31.20	12.00	
				181.90		
		Will redeem at $546.				0
172	24		48	31.20	12.00	
				213.10		
		Will redeem at $549.				0
173	24		48	31.20	12.00	
				244.30		
		Will redeem at $522.				0
174	24		48	31.20	12.00	
				275.50		
		Will redeem at $525.				0
175	24		48	31.20	12.00	
				306.70		
		Will redeem at $528.				0
176	24		48	31.20	12.00	
				337.90		
		Will redeem at $531.				0
177	24		48	31.20	12.00	
				369.10		
		Will redeem at $534.				0
178	24		48	31.20	12.00	
				400.30		
		Will redeem at $537.				0
179	24		48	31.20	12.00	
				431.50		
		Will redeem at $540.				0
180	24		48	31.20	12.00	
				462.70		
		Will redeem at $543.				0
					6,738.16	
Add interest to reserve fund					400.41	
		Forward	13,968	462.70	7,138.57	
24 debentures outstanding have paid					8,640.00	
Less reserve fund				7,138.57		
Redemption fund				462.70		
					7,601.27	
Deficit					1,038.73	
Interest earned				400.41		
Less 10% expe. fund				57.60		
Gain				342.81		
Deficit from former deficit				1,381.54		
					1,038.73	

Assets will not pay 88 cents on the dollar.

180 Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
		Forward	13,968	462.70	7,138.57	
181	24		48	31.20	12.00	
				493.90		
		Will redeem at $546.				0
182	24		48	31.20	12.00	
				525.10		
		Will redeem at $549.				0
183	24		48	31.20	12.00	
				556.30		

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
		Will redeem at $552.		552.00		1
184	24		48	4.30 31.20	12.00	
185	23	Will redeem at $555.	46	35.50 29.90	11.50	0
186	23	Will redeem at $558.	46	65.40 29.90	11.50	0
187	23	Will redeem at $561.	46	95.30 29.90	11.50	0
188	23	Will redeem at $564.	46	125.20 29.90	11.50	0
189	23	Will redeem at $567.	46	155.10 29.90	11.50	0
190	23	Will redeem at $570.	46	185.00 29.90	11.50	0
191	23	Will redeem at $573.	46	214.90 29.90	11.50	0
192	23	Will redeem at $576.	46	244.80 29.90	11.50	0
				274.70		
Add interest to reserve fund						7,278.57 432.51
			11,408	274.70		7,711.08
23 debentures outstanding have paid						8,802.00
Less reserve fund					7,711.08	
Bal'ce red. fund					274.70	
						7,985.78
Deficit						846.22
Interest earned					432.51	
Loss' ins on red.					184.00	
10 % exps.					56.00	
					240.00	
					192.51	
Deduct from former def					1,038.73	
						846.22

Assets will now pay 90 cents on the dollar.

401

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
193	23	Forward	11,408 46	274.70 29.90	7,711.08 11.50	
194	23	Will redeem at $582.	46	304.60 29.90	11.50	0
195	23	Will redeem at $585.	46	334.50 29.90	11.50	0
196	23	Will redeem at $588.	46	364.40 29.90	11.50	0
197	23	Will redeem at $591.	46	394.30 29.90	11.50	0
198	23	Will redeem at $594.	46	424.20 29.90	11.50	0
				454.10		

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
19	23	Will redeem at $597.	46	29.90	11.50	0
				484.00		
20	23	Will redeem at $600.	46	29.90	11.50	0
				513.90		
21	23	Will redeem at $603.	46	29.90	11.50	0
				543.80		
22	23	Will redeem at $606.	46	29.90	11.50	0
				573.70		
23	23	Will redeem at $609.	46	29.90	11.50	0
				603.60		
24	23	Will redeem at $612.	46	29.90	11.50	0
				633.50		
		Will redeem at $615.		615.00		1
				18.50		
					7,849.08	
All interest to reserve fund					466.80	
		Forward	15,050	18.50	8,315.88	
23 debentures outstanding have paid						9,384.00
Less reserve fund					8,315.88	
Int'st rec. fund					655.50	
						8,940.38
						443.62
Interest earned					100.80	
Less 10% exps. fund					55.20	
					411.60	
Deficit from former deficit					846.22	
						434.62

Assets will now pay 95 cents on the dollar.

92

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
		Forward	15,050	18.50	8,315.88	
205	23		46	29.90	11.50	
				48.40		
206	22	Will redeem at $618.	44	28.60	11.00	0
				77.00		
207	22	Will redeem at $621.	44	28.60	11.00	0
				105.60		
208	22	Will redeem at $624.	44	28.60	11.00	0
				134.20		
209	22	Will redeem at $627.	44	28.60	11.00	0
				162.80		
210	22	Will redeem at $630.	44	28.60	11.00	0
				191.40		
211	22	Will redeem at $633.	44	28.60	11.00	0
				220.00		
212	22	Will redeem at $636.	44	28.60	11.00	0
				248.60		
213	22	Will redeem at $639.	44	28.60	11.00	0
				277.20		

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
214	22	Will redeem at $642.	11	28.60	11.00	0
				305.80		
215	22	Will redeem at $645.	11	28.60	11.00	0
				334.40		
216	22	Will redeem at $648.	11	28.60	11.00	0
				363.00		
		Will redeem at $671.				0
Add interest to reserve fund					8,438.58	
					502.95	
		Forward	15,580	363.00	8,941.53	
22 debentures outstanding have paid				9,504.00		
Less reserve fund			8,951.31			
And bal'ce red. fund			362.00			
				9,314.31		
Deficit				189.69		
Interest earned			502.95			
Less loss on redemption			205.00			
And 10% exps. fund			53.00			
				258.00		
Gain				244.95		
Deduct from former deficit				434.64		
				189.69		

Assets will now pay 97 cents on the dollar.

4 C

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
217	22	Forward	15,580	363.00	8,951.31	
			11	28.60	11.00	
				391.60		
218	22	Will redeem at $654.	11	28.60	11.00	0
				420.20		
219	22	Will redeem at $657.	11	28.60	11.00	0
				448.80		
220	22	Will redeem at $660.	11	28.60	11.00	0
				477.40		
221	22	Will redeem at $663.	11	28.60	11.00	0
				506.00		
222	22	Will redeem at $666.	11	28.60	11.00	0
				534.60		
223	22	Will redeem at $669.	11	28.60	11.00	0
				563.20		
224	22	Will redeem at $672.	11	28.60	11.00	0
				591.80		
225	22	Will redeem at $675.	11	28.60	11.00	0
				620.40		
226	22	Will redeem at $678.	11	28.60	11.00	0
				649.00		
227	22	Will redeem at $681.	11	28.60	11.00	0
				677.60		

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
		Will redeem at $684.				0
29	22		41	28.60	11.00	
				706.20		
		Will redeem at $687.		687.00		1
				19.20		
					9,083.31	
All interest to reserve fund					541.04	
		Forward	16,108	19.20	9,624.31	
22 debentures outstanding have paid					10,032.60	
Reserve fund					9,624.31	
Reserve Red. fund					706.20	
					10,330.51	
Surplus						298.55
Interest earned					541.04	
Less loss expense fund					52.80	
					488.24	
Deduct former deficit					189.69	
						298.55

84

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
		Forward	16,108	19.20	9,624.31	
29	22		41	28.60	11.00	
				47.80		
		Will redeem at $689.				0
30	21		42	27.30	10.50	
				75.10		
		Will redeem at $693.				0
31	21		42	27.30	10.50	
				102.40		
		Will redeem at $696.				0
32	21		42	27.30	10.50	
				129.70		
		Will redeem at $699.				0
33	21		42	27.30	10.50	
				157.00		
		Will redeem at $702.				0
34	21		42	27.30	10.50	
				184.30		
		Will redeem at $705.				0
35	21		42	27.30	10.50	
				211.60		
		Will redeem at $708.				0
36	21		42	27.30	10.50	
				238.90		
		Will redeem at $711.				0
37	21		42	27.30	10.50	
				266.20		
		Will redeem at $714.				0
38	21		42	27.30	10.50	
				293.50		
		Will redeem at $717.				0
39	21		42	27.30	10.50	
				320.80		
		Will redeem at $720.				0
40	21		42	27.30	10.50	
				348.10		
		Will redeem at $723.				0
					9,750.85	
All interest on reserve fund					581.25	
		Forward	16,611	348.10	10,332.10	

21 debentures outstanding have paid		$10,200.00
Reserve fund	$10,332.10	
Bal'ce red. fund	348.10	
		$10,680.20
Surplus		480.20
Interest earnings	581.25	
Less loss on redemption	229.00	
Int'l exps.	50.00	
	279.60	
	301.65	
Previous surplus	298.55	
		600.20

465

Month.	In force.		Dues.	Redemption.	Reserve.	Interest, redemp.
241	21	Forward	16,614	346.10	$10,332.10	
			42	27.30	10.50	
				373.40		
242	21	Will redeem at $726.	42	27.30	10.50	0
				402.70		
243	21	Will redeem at $729.	42	27.30	10.50	0
				430.00		
244	21	Will redeem at $733.	42	27.30	10.50	0
				457.30		
245	21	Will redeem at $735.	42	27.30	10.50	0
				484.60		
246	21	Will redeem at $738.	42	27.30	10.50	0
				511.90		
247	21	Will redeem at $741.	42	27.30	10.50	0
				539.20		
248	21	Will redeem at $744.	42	27.30	10.50	0
				566.50		
249	21	Will redeem at $747.	41	27.30	10.50	0
				593.80		
250	21	Will redeem at $750.	42	27.30	10.50	0
				621.10		
251	21	Will redeem at $753.	42	27.30	10.50	0
				648.40		
252	21	Will redeem at $756.	42	27.30	10.50	0
				675.70		
		Will redeem at $759.				0
					10,458.10	
Add interest to reserve fund					623.71	
		Forward	17,118	675.70	11,081.81	
21 debentures outstanding have paid					10,584.00	
Reserve fund					11,081.81	
Bal'ce red. fund					675.70	
					11,757.51	
Surplus					1,173.51	
Interest earned				623.71		
Less loss exps. fund				50.00		
Gain				573.71		
Former surplus				600.20		
				1,173.51	1,173.51	

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
46						
		Forward.....	17,118	675.70	11,081.81	
23	21		42	27.30	10.50	
				703.00		
		Will redeem at $702.				0
24	21		42	27.30	10.50	
				730.30		
		Will redeem at $705.				0
25	21		42	27.30	10.50	
				757.60		
		Will redeem at $708.				0
26	21		42	27.30	10.50	
				784.30		
		Will redeem at $771.		771.00		1
				13.30		
27	21		42	27.30	10.50	
				41.20		
		Will redeem at $774.				0
28	20		40	26.00	10.00	
				67.20		
		Will redeem at $777.				0
29	20		40	26.00	10.00	
				93.20		
		Will redeem at $780.				0
30	20		40	26.00	10.00	
				119.20		
		Will redeem at $783.				0
31	20		40	26.00	10.00	
				145.20		
		Will redeem at $786.				0
32	20		40	26.00	10.00	
				171.20		
		Will redeem at $789.				0
33	20		40	26.00	10.00	
				197.20		
		Will redeem at $792.				0
34	20		40	26.00	10.00	
				223.20		
		Will redeem at $795.				
					11,291.31	
		Add interest to reserve fund.....			668.58	
		Forward.....	17,000	223.20	11,872.89	
		20 debentures outstanding have paid.....			10,500.00	
		Reserve fund.....		11,872.89		
		Below cost, fund.....		223.20		
					12,096.09	
					1,576.80	
		Surplus.....				
		Interest earned.....		668.58		
		Loss loss on redemptions.....		217.00		
		Ins exps. fund.....		43.00		
				260.00		
		Gain.....		408.58		
		Add to former surplus.....		1,171.31		
					1,576.80	
47						
Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
		Forward.....	17,000	223.20	11,872.89	
35	20		40	26.00	10.00	
				249.20		
		Will redeem at $798.				0
36	20		40	26.00	10.00	
				275.20		

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
267	20	Will redeem at $801.	40	26.00	10.00	0
				301.20		
268	20	Will redeem at $804.	40	26.00	10.00	0
				327.20		
269	20	Will redeem at $807.	40	26.00	10.00	0
				353.20		
270	20	Will redeem at $810.	40	26.00	10.00	0
				379.20		
271	20	Will redeem at $813.	40	26.00	10.00	0
				405.20		
272	20	Will redeem at $816.	40	26.00	10.00	0
				431.20		
273	20	Will redeem at $819.	40	26.00	10.00	0
				457.20		
274	20	Will redeem at $822.	40	26.00	10.00	0
				483.20		
275	20	Will redeem at $825.	40	26.00	10.00	0
				509.20		
276	20	Will redeem at $828.	40	26.00	10.00	0
				535.20		
		Will redeem at $831.				0
Add interest on reserve fund						11,992.80
						715.97
		Forward	18,088	535.20		12,708.80
20 debentures outstanding have paid						11,040.00
Reserve fund					12,708.80	
Balance red. fund					535.20	
						13,244.00
		Surplus				2,204.00
Interest earned					715.97	
Loss by exps. fund					18.00	
					697.97	
Gain					1,506.03	
Add to former surplus						2,204.00

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Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
277	20	Forward	18,088	535.20	12,708.80	
			40	26.00	10.00	
				561.20		
278	20	Will redeem at $834.	40	26.00	10.00	0
				587.20		
279	20	Will redeem at $837.	40	26.00	10.00	0
				613.20		
280	20	Will redeem at $840.	40	26.00	10.00	0
				639.20		
281	20	Will redeem at $843.	40	26.00	10.00	0
				665.20		

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
282	20	Will redeem at $846.	40	26.00	10.00	0
				691.20		
283	20	Will redeem at $849.	40	26.00	10.00	0
				717.20		
284	20	Will redeem at $852.	40	26.00	10.00	0
				743.20		
285	20	Will redeem at $855.	40	26.00	10.00	0
				769.20		
286	20	Will redeem at $858.	40	26.00	10.00	0
				795.20		
287	20	Will redeem at $861.	40	26.00	10.00	0
				821.20		
288	20	Will redeem at $864.	40	26.00	10.00	0
				847.20		
		Will redeem at $867.				0
					12,828.86	
		Add interest on reserve fund			766.13	
		Forward	18,568	847.20	13,594.99	
		20 debentures outstanding have paid				11,520.00
		Reserve fund			13,594.99	
		Re-se-rel. fund			847.20	
						14,442.19
		Surplus				2,922.19
		Interest earned			766.13	
		Less 10 % expe. fund			48.00	
					718.13	
		Add to former surplus			2,204.06	
						2,922.19

40

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
		Forward	18,568	847.20	13,594.99	
289	20		40	26.00	10.00	
				873.20		
		Will redeem at $870.		870.00		1
				3.20		
290	20		40	26.00	10.00	
				29.20		
291	19	Will redeem at $873.	38	24.70	9.50	0
				53.90		
292	19	Will redeem at $876.	38	24.70	9.50	0
				78.60		
293	19	Will redeem at $879.	38	24.70	9.50	0
				103.30		
294	19	Will redeem at $882.	38	24.70	9.50	0
				128.00		
295	19	Will redeem at $885.	38	24.70	9.50	0
				152.70		
296	19	Will redeem at $888.	38	24.70	9.50	0
				177.40		

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
297	19	Will redeem at $891.	38	24.70	9.50	0
				202.10		
298	19	Will redeem at $894.	38	24.70	9.50	0
				226.80		
299	19	Will redeem at $897.	38	24.70	9.50	0
				251.50		
300	19	Will redeem at $900.	38	24.70	9.50	0
				276.20		
		Will redeem at $903.				0
					13,709.90	
Add interest to reserve fund					820.95	
		Forward	19,028	276.20	14,530.94	
19 debentures outstanding have paid					11,400.00	
Reserve fund					14,530.94	
Bal'ce red. fund					276.20	
					14,807.14	
					3,407.14	
Interest earned				820.95		
Loss on redemption				280.00		
10 % exps. fund				46.00		
				336.00		
Gain				484.95		
Add to former surplus				2,922.19		
				3,407.14		

410

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
301	19	Forward	19,028	276.20	14,530.94	
			38	24.70	9.50	
				300.90		
302	19	Will redeem at $906.	38	24.70	9.50	0
				325.60		
303	19	Will redeem at $909.	38	24.70	9.50	0
				350.30		
304	19	Will redeem at $912.	38	24.70	9.50	0
				375.00		
305	19	Will redeem at $915.	38	24.70	9.50	0
				399.70		
306	19	Will redeem at $918.	38	24.70	9.50	0
				424.40		
307	19	Will redeem at $921.	38	24.70	9.50	0
				449.10		
308	19	Will redeem at $924.	38	24.70	9.50	0
				473.80		
309	19	Will redeem at $927.	38	24.70	9.50	0
				498.50		
310	19	Will redeem at $930.	38	24.70	9.50	0
				523.20		
311	19	Will redeem at $933.	38	24.70	9.50	0
				547.90		

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
		Will redeem at $936.				0
312	19		38	24.70	9.50	
				572.60		
		Will redeem at $939.				0
					14,641.94	
Add interest to reserve fund					875.28	
	Forward		19,484	572.60	15,520.22	
19 debentures outstanding have paid					11,856.90	
Reserve fund					15,520.22	
Ref'ce red. fund					572.60	
					16,092.82	
	Surplus				4,236.82	
Interest earned					875.28	
Less 10.6 exps.					45.60	
	Gain				829.68	
Add to for. surplus					3,407.14	
					4,236.82	

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
		Forward	19,484	572.60	15,520.22	
312	19		38	24.70	9.50	
				597.30		
		Will redeem at $942.				0
314	19		38	24.70	9.50	
				622.00		
		Will redeem at $945.				0
315	19		38	24.70	9.50	
				646.70		
		Will redeem at $948.				0
316	19		38	24.70	9.50	
				671.40		
		Will redeem at $951.				0
317	19		38	24.70	9.50	
				696.10		
		Will redeem at $954.				0
318	19		38	24.70	9.50	
				720.80		
		Will redeem at $957.				0
319	19		38	24.70	9.50	
				745.50		
		Will redeem at $960.				0
320	19		38	24.70	9.50	
				770.20		
		Will redeem at $963.				0
321	19		38	24.70	9.50	
				794.90		
		Will redeem at $966.				0
322	19		38	24.70	9.50	
				819.60		
		Will redeem at $969.				0
323	19		38	24.70	9.50	
				844.30		
		Will redeem at $972.				0
324	19		38	24.70	9.50	
				869.00		
		Will redeem at $975.				0
					15,634.22	
Add interest to reserve fund					934.63	
	Forward		19,940	869.00	16,568.85	

19 debentures outstanding have paid		12,512.00
Reserve fund	16,568.85	
Bal'ce red. fund	860.00	
		17,427.85
Surplus		5,125.85
Interest earned	934.63	
Less 10% exps. fund	45.60	
Gain	889.03	
Add to former surplus	4,236.82	
		5,125.85

412

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
325	19	Forward	19,940	869.00	16,568.85	
			38	24.70	9.50	
				893.70		
326	19	Will redeem at $978.	38	24.70	9.50	0
				918.40		
327	19	Will redeem at $981.	38	24.70	9.50	0
				943.10		
328	19	Will redeem at $984.	38	24.70	9.50	0
				967.80		
329	19	Will redeem at $987.	38	24.70	9.50	0
				992.50		
		Will redeem at $990.		990.00		1
				2.50		
330	19		38	24.70	9.50	
				27.20		
331	18	Will redeem at $993.	36	23.40	9.00	0
				50.60		
332	18	Will redeem at $996.	36	23.40	9.00	0
				74.00		
333	18	Will redeem at $999.	36	23.40	9.00	0
				97.40		
334	18	Will redeem at $1,002.	36	23.40	9.00	0
				120.80		
335	18	Will redeem at $1,005.	36	23.40	9.00	0
				144.20		
336	18	Will redeem at $1,008.	36	23.40	9.00	0
				167.60		
		Will redeem at $1,111.				0
					16,679.85	
Add interest to reserve fund					997.56	
		Forward	20,384	167.60	17,677.41	

18 debentures outstanding have paid		12,096.00
Reserve fund	17,677.41	
Bal'ce red. fund	167.60	
		17,845.01
Surplus		5,749.01
Interest earned	997.56	
Loss on redemption	330.00	
10% exps. fund	44.40	
	374.40	
Gain	623.16	
Add to former surplus	5,125.85	
		5,749.01

413

Month.	In force.		Dues.	Redemption.	Reserve.	Debentures redeemed.
		Forward	20,584	167.60	17,677.41	
337	18		36	23.40	9.00	
				191.00		
338	18		36	23.40	9.00	
				214.40		
339	18		36	23.40	9.00	
				237.80		
340	18		36	23.40	9.00	
				261.20		
					17,713.41	
Add interest to reserve fund for four months and a fraction					385.39	
					18,098.80	
Add balance of redemption fund					261.20	
					18,360.00	
18 debentures outstanding have paid				12,240.00		
Add 50% profit				6,120.00		
					18,360.00	

Summary.

Interest earned	12,536.80	
Profit paid debenture-holders, 50% on amount paid in, viz., 50% of $20,528		10,264.00
10% expense fund, 10% of same amount		2,052.80
Commission to agents		220.00
	12,536.80	12,536.80
Interest earnings for first 21 years		6,372.20
Interest earnings for balance of time		6,164.49

Nearly 50% of interest earnings made in the last 25% of time.

414

D 2.

TABLE NUMBER TWO.

Civil District Court.

STATE OF LOUISIANA
vs.
N. O. DEBENTURE REDEMPTION CO., LTD. } No. 56658.

Offered in evidence by defendant. Filed February 7th, 1899. (Signed) Jos. Garidel, d'y clerk.

TABLE NUMBER TWO.

This is based on the supposition that the company will issue 100 debentures the first month and continue to sell 100 each month thereafter, paying them off in their numeral order, by the expenditure of the "redemption fund" only, until such time as the "reserve fund," with its interest earnings, is sufficient to take up all the debentures then in force; interest calculated at six % on the net reserve.

415

Month.	Sold.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
1	100	100	200		180.00			
2	100	200	400		360.00			
3	100	300	600		540.00			
4	100	400	800		720.00			
5	100	500	1,000		900.00			
					2,700.00			
		Commissions to agents.			1,100.00			
					1,600.00			
6	100	600	1,200	780.00	900.00			
		Will redeem.		777.00		7	37	63
				3.00				

Month.	Sold.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
7	100	700	1,400	910.00	350.00			
				5.60				
		Will redeem.		915.60				
				912.00		8	38	2
				3.60				
8	100	763	1,526	991.80	381.50			
				995.40				
		Will redeem.		987.00		9	25	
				8.40				
9	100	825	1,650	1,072.50	412.50	8	13	87
				1,080.90				
		Will redeem.		1,053.00		9	39	48
				27.90				
10	100	887	1,774	1,153.10	443.50			
				1,181.00				
		Will redeem.		1,170.00		10	39	9
				11.00				
11	100	948	1,896	1,232.40	474.00			
				1,243.40				
		Will redeem.		1,237.00		11	9	
				6.40				
12	100	1,009	2,018	1,311.70	504.50	10	31	69
				1,318.10				
		Will redeem at		1,320.00		11	10	59
				1.90				
	1,200	7,232	14,464	5.60	4,466.00		271	
Deduct from reserve fund commissions to agents					1,540.00			
					2,926.00			
Add interest					105.00			
					3,031.00			
Outstanding debentures have paid				10,380.00				
Reserve fund and balance of red. fund				4,356.60				
Deficit				6,023.40				

Made up as follows:

Profit paid on debentures redeemed	2,042.00
Commission paid agents	2,540.00
10% expense fund	1,446.40
	6,028.40
Less interest earned	105.00
	6,023.40

416

Month.	Sold.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward..	1,200	7,232	14,464	5.60	3,031.00		271	
13	100	1,069	2,138	1,389.70	534.50			
				1,395.30				
		Will redeem.		1,374.00		12	29	100
				21.30				
14	100	1,129	2,258	1,467.70	564.50	11	10	90
				1,489.00				
		Will redeem.		1,476.00		12	41	49
				13.00				
15	100	1,190	2,380	1,547.00	595.00			
				1,560.00				
		Will redeem.		1,560.00		13	40	9

Month.	Sold.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
16	100	1,240	2,498	1,623.70	624.50			
		Will redeem.		1,587.00		14	9	
				36.70		13	31	69
17	100	1,309	2,618	1,701.70	654.50			
				1,738.40				
		Will redeem.		1,722.00		14	41	28
				16.40				
18	100	1,369	2,738	1,779.70	684.50			
				1,796.10	6,688.50*			
		Will redeem.		1,764.00		15	28	
				32.10		14	12	88
19	100	1,428	2,856	1,856.40	714.00			
				1,888.50				
		Will redeem.		1,845.00		15	41	47
				43.50				
20	100	1,488	2,976	1,934.40	744.00			
				1,977.90				
		Will redeem.		1,968.00		16	41	6
				9.90				
21	100	1,547	3,094	2,011.10	773.50			
				2,021.00				
		Will redeem.		1,986.00		17	6	
				35.00		16	35	65
22	100	1,606	3,212	2,087.80	803.00			
				2,122.80				
		Will redeem.		2,091.00		17	41	24
				31.80				
23	100	1,665	3,330	2,164.50	832.50			
				2,196.30				
		Will redeem.		2,163.00		18	24	
				33.30		17	17	83
24	100	1,724	3,448	2,241.20	862.00			
				2,274.50				
		Will redeem.		2,268.00		18	42	41
				6.50				
			33,546		8,386.50			
	2,400	24,005	48,010	6.70	11,417.50		759	
Deduct from reserve fund commissions to agents					2,640.00			
					8,777.50			
Add interest to reserve fund					354.25			
Carry forward..	2,400	24,005	48,010	6.70	9,131.75		759	

41

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward..	2,400	24,005	48,010	6.50	9,131.75		759	
25	100	1,783	3,566	2,317.90	891.50			
				2,323†.40				
		Will redeem.		2,280.00		19	40	1
				43.40				
26	100	1,841	3,682	2,393.30	920.50			
				2,436.70				
		Will redeem.		2,397.00		20	1	
				39.70		19	41	59

* (In pencil in copy.)
† Add 1 for error in third line & carry forward $69.50.

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
27	100	1,901	3,802	2,471.30	950.50			
		Will redeem.		2,511.00 2,460.00		20	41	58
28	100	1,959	3,918	51.00 2,546.70	979.50			
		Will redeem.		2,597.70 2,574.00		21	18	
29	100	2,018	4,036	23.70 2,623.40	1,009.00	20	24	76
		Will redeem.		2,647.10 2,646.00		21	42	34
30	100	2,076	4,152	1.10 2,698.80	1,038.00			
		Will redeem.		2,699.90 2,685.00		22	34	
31	100	2,134	4,268	14.90 2,774.20	1,067.00	21	7	93
		Will redeem.		2,789.10 2,772.00		22	42	51
32	100	2,192	4,386	17.10 2,850.90	1,096.50			
		Will redeem.		2,868.00 2,829.00		23	41	10
33	100	2,251	4,502	39.00 2,926.50	1,125.50			
		Will redeem.		2,965.50 2,928.00		24	10	
34	100	2,310	4,620	37.50 3,003.00	1,155.00	23	32	68
		Will redeem.		3,040.50 3,024.00		24	42	26
35	100	2,368	4,736	16.50 3,078.40	1,184.00			
		Will redeem.		3,094.70 3,030.00		25	26	
36	100	2,426	4,852	64.70 3,153.80	1,213.00	24	15	85
		Will redeem.		3,218.50 3,150.00		25	42	43
				68.50				
		25,260	50,520		12,630.00		498	
	3,600	49,265	98,530	68*.50	21,761.75			
Deduct from reserve commission to agents.....					2,640.00			
Add interest.....					19,121.75 847.71			
Carry forward.. 418	3,600	49,265	98,530	69.50	19,969.46 19,969.46		1,257	

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward.	3,600	49,265	98,530	69.50	19,969.46		1,257	
37	100	2,485	4,970	3,230.50	1,242.50			
		Will redeem.		3,300.00 3,276.00		26	42	1
				24.00				

*Add 1 for error in third line & carry forward $69.50.

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
38	100	2,543	5,086	3,305.90	1,271.50			
				3,329.00				
		Will redeem.		3,279.00		21	1	
				50.90		26	41	59
39	100	2,601	5,202	3,381.50	1,300.50			
				3,432.20				
		Will redeem.		3,402.00		27	42	17
				30.20				
40	100	2,659	5,318	3,456.70	1,329.50			
				3,486.90				
		Will redeem.		3,453.00		28	17	
				33.90		27	25	75
41	100	2,717	5,434	3,532.10	1,358.50			
				3,566.00				
		Will redeem.		3,528.00		28	42	33
				38.00				
42	100	2,775	5,550	3,607.50	1,387.50			
				3,645.50				
		Will redeem.		3,627.00		29	33	
				18.50		28	9	91
43	100	2,833	5,666	3,682.90	1,416.50			
				3,701.40				
		Will redeem.		3,654.00		29	42	49
				47.40				
44	100	2,891	5,782	3,758.30	1,445.50			
				3,805.70				
		Will redeem.		3,780.00		30	42	7
				25.70				
45	100	2,949	5,898	3,833.70	1,474.50			
				3,859.40				
		Will redeem.		3,801.00		31	7	
				58.40		30	35	65
46	100	3,007	6,014	3,909.10	1,503.50			
				3,967.50				
		Will redeem.		3,906.00		31	42	23
				61.50				
47	100	3,065	6,130	3,984.50	1,532.50			
				4,046.00				
		Will redeem.		3,975.00		32	23	
				71.00		31	19	81
48	100	3,123	6,246	4,059.90	1,561.50			
				4,130.90				
		Will redeem.		4,128.00		32	43	38
				2.90				
	4,800*	33,648	67,296		16,824.00			
					36,793.46			
Deduct from reserve commission to agents					2,640.00			
					34,153.46			
Add interest					1,702.86			
					35,856.32			
Carry forward	4,800	82,913	165,826	2.90	35,856.32		1,762	

[* In pencil in copy.]

419

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures. Age.	No.	Bal.
Forward..	4,800	82,933	165,836	2.80	35,856.32		1,762	
46	100	3,181	6,362	4,135.30	1,590.50			
				4,138.20				
		Will redeem.		4,050.00				
						33	38	
50	100	3,238	6,476	88.20		32	3	97
				4,209.40	1,619.00			
				4,297.60				
		Will redeem.		4,257.00				
						33	43	34
51	100	3,297	6,594	40.60				
				4,286.10	1,648.50			
				4,326.70				
		Will redeem.		4,284.00				
						34	42	12
52	100	3,354	6,708	42.70				
				4,360.20	1,677.00			
				4,402.90				
		Will redeem.		4,320.00				
						35	12	
53	100	3,412	6,824	82.80		34	30	50
				4,435.60	1,706.00			
				4,518.50				
		Will redeem.		4,515.00				
						35	43	27
54	100	3,470	6,940	3.50				
				4,511.00	1,735.00			
				4,514.50				
		Will redeem.		4,491.00				
						36	27	
55	100	3,527	7,054	23.50		35	15	85
				4,585.10	1,761.50			
				4,608.60				
		Will redeem.		4,536.00				
						36	42	43
56	100	3,585	7,170	72.60				
				4,660.50	1,792.50			
				4,733.10				
		Will redeem.		4,662.00				
						37	42	1
57	100	3,643	7,286	71.10				
				4,733.90	1,821.50			
				4,805.00				
		Will redeem.		4,776.00				
						38	1	
58	100	3,701	7,402	31.30		37	42	18
				4,811.30	1,850.50			
				4,842.60				
		Will redeem.		4,788.00		38	42	16
59	100	3,758	7,516	54.30				
				4,885.40	1,879.00			
				4,939.70				
		Will redeem.		4,836.00				
						39	16	
60	100	3,816	7,632	103.70		38	26	74
				4,960.80	1,908.00			
				5,064.50				
		Will redeem.		5,031.00				
						39	42	32
				33.50				
	41,982	83,964			20,991.00			
	6,080	124,895	249,790	33.50	56,847.32		2,209	
Deduct from reserve fund commissions.....					2,640.00			
					54,207.32			
Add interest.....					2,780.67			
Carry forward..	6,080	124,895	249,790	33.50	56,987.99		2,209	

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures. Age.	No.	Bal'ce.
Forward.	6,000	124,895	359,700	33.50	56,907.50		2,260	
61	100	3,874	7,748	5,036.20	1,937.00			
				5,069.70				
		Will redeem.		5,007.00		40	31	
				62.70		39	11	89
62	100	3,931	7,862	5,110.30	1,965.50			
				5,173.00				
		Will redeem.		5,160.00		40	43	46
				13.00				
63	100	3,989	7,978	5,185.70	1,994.50			
				5,198.70				
		Will redeem.		5,166.00		41	42	4
				32.70				
64	100	4,046	8,092	5,259.80	2,023.00			
				5,292.50				
		Will redeem.		5,178.00		42	4	
				114.50		41	38	62
65	100	4,104	8,208	5,335.20	2,052.00			
				5,449.70				
		Will redeem.		5,418.00		42	43	19
				31.70				
66	100	4,162	8,324	5,410.60	2,081.00			
				5,442.30				
		Will redeem.		5,340.00		43	19	
				93.30		42	23	77
67	100	4,219	8,438	5,484.70	2,109.50			
				5,578.00				
		Will redeem.		5,547.00		43	43	34
				31.00				
68	100	4,277	8,554	5,560.10	2,138.50			
				5,591.10				
		Will redeem.		5,520.00		44	34	
				71.10		43	8	92
69	100	4,334	8,668	5,634.20	2,167.00			
				5,705.30				
		Will redeem.		5,676.00		44	43	40
				29.30				
70	100	4,392	8,784	5,709.60	2,196.00			
				5,738.90				
		Will redeem.		5,670.00		45	42	7
				68.90				
71	100	4,449	8,898	5,783.70	2,224.50			
				5,852.60				
		Will redeem.		5,826.00		46	7	
				26.60		45	36	64
72	100	4,507	9,014	5,859.10	2,253.50			
				5,885.70				
		Will redeem.		5,796.00		46	42	22
				89.70				
		50,284	100,568		25,142.00			
	7,281	175,179	350,358		82,049.99		2,778	
Deduct commissions from reserve fund					2,640.00			
					79,409.99			
Add interest					4,089.54			
Carry forward.	7,281	175,179	350,358	89.70	83,499.53		2,778	
7,281*			203,760	89,385	(43.8*			
2,778*				81,594.0*				
4,422 in force.*				7,881.0*				

[* In pencil in copy.]

421

Month.	sales.	In force.	lines.	Redemption fund.	Reserve fund.	Debentures redeemed. Age	No.	Bal.
Forward.	7,200	175,179	350,358	89.70	83,190.51			
73	100	4,564	9,128	5,933.20	2,282.00		2,278	
				6,022.90				
		Will redeem.		6,083.00		47	22	
				22.90				
74	100	4,622	9,244	6,008.60	2,311.00	46	21	70
				6,031.50				
		Will redeem.		5,922.00		47	42	7
				109.50				
75	100	4,679	9,358	6,082.70	2,339.50			
				6,192.20				
		Will redeem.		6,174.00		48	37	
				18.20				
76	100	4,737	9,474	6,158.10	2,368.50	47	6	94
				6,176.30				
		Will redeem.		6,048.00		48	42	52
				128.30				
77	100	4,794	9,588	6,232.20	2,397.00			
				6,360.50				
		Will redeem.		6,321.00		49	41	9
				39.50				
78	100	4,852	9,704	6,307.60	2,426.00			
				6,347.10				
		Will redeem.		6,291.00		50	5	
				146.10				
79	100	4,909	9,818	6,381.70	2,454.50	49	33	67
				6,527.80				
		Will redeem.		6,450.00		50	43	24
				77.80				
80	100	4,967	9,934	6,457.10	2,483.50			
				6,534.90				
		Will redeem.		6,372.00		51	24	
				162.90				
81	100	5,024	10,048	6,531.20	2,512.00	50	18	82
				6,694.10				
		Will redeem.		6,579.00		51	41	59
				115.10				
82	100	5,082	10,164	6,606.60	2,541.00			
				6,721.70				
		Will redeem.		6,626.00		52	29	
				25.70				
83	100	5,139	10,278	6,680.70	2,569.50	51	4	96
				6,706.40				
		Will redeem.		6,552.00		52	42	54
				154.40				
84	100	5,196	10,392	6,754.80	2,598.00			
				6,909.20				
		Will redeem.		6,837.00		53	43	11
				72.20				
			117,130		29,282.50			
	8,400	238,744	467,488	72.20	112,782.03		3,289	
Deduct commission to agents					2,640.00			
					110,142.03			
Add interest					5,809.24			
Carry forward.	8,400	238,744	467,488	72.20	115,951.27		3,289	

42 Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age	No.	Bal'ce.
Forward...	8,400	238,744	107,188	72.20	115,951.27	32	80	
85	100	5,254	10,508	6,850.20	2,627.00			
				6,992.40				
		Will redeem.		6,870.00		54	11	
				32.40		53	32	68
86	100	5,311	10,622	6,904.20	2,655.50			
				6,936.70				
		Will redeem.		6,804.00		54	42	26
				132.70				
87	100	5,368	10,736	6,978.40	2,684.00			
				7,111.10				
		Will redeem.		7,044.00		55	26	
				67.10		54	17	83
88	100	526	10,852	7,053.80	2,713.00			
				7,120.90				
		Will redeem.		7,095.00		55	43	40
				25.90				
89	100	584	10,966	7,127.90	2,741.50			
				7,153.80				
		Will redeem.		7,050.00		56	40	
				103.80		55	2	98
90	100	5,540	11,080	7,202.00	2,770.00			
				7,305.80				
		Will redeem.		7,224.00		56	43	55
				81.20				
91	100	5,598	11,196	7,277.40	2,799.00			
				7,358.20				
		Will redeem.		7,353.00		57	43	12
				6.20				
92	100	5,655	11,310	7,351.50	2,827.50			
				7,357.70				
		Will redeem.		7,218.00		58	12	
				139.70		57	30	70
93	100	5,712	11,424	7,425.60	2,856.00			
				7,565.30				
		Will redeem.		7,482.00		58	43	27
				83.30				
94	100	5,770	11,540	7,501.00	2,885.00			
				7,584.30				
		Will redeem.		7,533.00		59	27	
				51.30		58	946	84
95	100	5,827	11,654	7,575.10	2,913.50			
				7,626.40				
		Will redeem.		7,611.00		59	43	41
				15.40				
96	100	5,884	11,768	7,649.20	2,942.00			
				7,664.60				
		Will redeem.		7,557.00		60	41	
				107.60		59	1	99
	9,600	300,572	133,656 601,144	107.60	149,365.27		3,801	
Deduct commission to agents					2,640.00			
					146,725.27			
Add interest to reserve fund					7,880.29			
Carry forward	9,600	300,572	601,144	107.60	154,605.56		3,801	

423

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures. Acc.	No.	Rdm.
Forward...	9,000	300,572	601,144	107.60	154,605.50			
97	100	5,941	11,882	7,723.30	2,970.50		3,801	
				7,830.90				
	Will redeem.			7,740.00				
						66	43	76
98	100	5,999	11,998	90.90				
				7,798.70	2,999.50			
	Will redeem.			7,889.60				
				7,869.00		64	43	12
99	100	6,056	12,112	20.60				
				7,872.80	3,028.00			
	Will redeem.			7,893.40				
				7,725.00		62	13	
100	100	6,113	12,226	168.40		64	29	71
				7,946.80	3,056.50			
	Will redeem.			8,115.30				
				7,998.00		62	43	28
101	100	6,171	12,342	117.30				
				8,022.30	3,085.50			
	Will redeem.			8,139.60				
				8,082.00		63	28	
102	100	6,228	12,456	57.60		62	15	85
				8,096.40	3,114.00			
	Will redeem.			8,154.00				
				8,127.00		63	43	42
103	100	6,285	12,570	27.00				
				8,170.50	3,142.50			
	Will redeem.			8,197.50				
				8,064.00		64	42	
104	100	6,342	12,684	133.50				
				8,244.00	3,171.00			
	Will redeem.			8,378.10				
				8,256.00		64	43	57
105	100	6,400	12,800	122.10				
				8,320.00	3,200.00			
	Will redeem.			8,442.10				
				8,385.00		65	43	14
106	100	6,457	12,914	57.10				
				8,394.10	3,228.50			
	Will redeem.			8,451.20				
				8,427.00		66	14	
107	100	6,514	13,028	24.20		65	29	71
				8,468.20	3,257.00			
	Will redeem.			8,492.40				
				8,316.00		66	42	29
108	100	6,571	13,142	176.40				
				8,542.30	3,285.50			
	Will redeem.			8,718.70				
				8,601.00		67	29	
				117.70		66	14	86
		75,077	150,154		37,538.50			
	10,800		751,298		192,144.06		4,314	
Deduct commission to agents					2,640.00			
					189,504.06			
Add interest					10,323.28			
Carry forward	10,800	375,649	751,298	117.70	199,827.34		4,314	

424 Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward....	10,880	375,649	751,298	117.70	190,827.34		4,314	
109	100	6,629	13,258	8,617.70	3,314.50			
				8,735.40				
		Will redeem.		8,643.00		67	43	43
				92.40				
110	100	6,686	13,372	8,691.80	3,343.00			
				8,784.20				
		Will redeem.		8,772.00		68	43	
				12.20				
111	100	6,743	13,486	8,765.90	3,371.50			
				8,778.10				
		Will redeem.		8,772.00		68	43	57
				6.10				
112	100	6,800	13,600	8,840.00	3,400.00			
				8,846.10				
		Will redeem.		8,694.00		69	42	15
				152.10				
113	100	6,857	13,714	8,914.10	3,428.50			
				9,066.20				
		Will redeem.		8,946.00		70	15	
				120.20		69	28	72
114	100	6,915	13,830	8,989.50	3,457.50			
				9,109.70				
		Will redeem.		9,039.00		70	43	29
				70.70				
115	100	6,972	13,944	9,063.60	3,486.00			
				9,143.30				
		Will redeem.		9,117.00		71	29	
				26.30		70	14	86
116	100	7,029	14,058	9,137.70	3,514.50			
				9,164.00				
		Will redeem.		9,159.00		71	43	43
				5.00				
117	100	7,086	14,172	9,221.80	3,543.00			
				9,216.80				
		Will redeem.		9,072.00		72	42	1
				144.80				
118	100	7,143	14,286	9,285.80	3,571.50			
				9,430.70				
		Will redeem.		9,291.00		73	1	
				139.70		72	42	58
119	100	7,201	14,402	9,361.30	3,600.50			
				9,501.00				
		Will redeem.		9,387.00		73	43	15
				114.00				
120	100	7,258	14,516	9,435.40	3,629.00			
				9,549.40				
		Will redeem.		9,462.00		74	15	
				87.40		73	28	72
	12,000	83,319	166,638		241,486.84		4,828	
Deduct commission to agents.....					2,640.00			
Add interest					238,846.84 13,160.21			
Carry forward.....	12,000	458,968	917,936	87.40	252,007.05		4,828	
	7,258 252,007 (40* 29,032*				9,569* 4-5 of 1° Lofee.*			

[*In pencil in copy.]

425

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'c.
Forward..	12,000	458,968	917,936	87.40	252,007.05			
121	100	7,315	14,630	9,509.50	3,657.50		4,828	
				9,596.90				
	Will redeem.			9,546.00		74	43	29
122	100	7,372	14,744	50.90				
				9,583.60	3,686.00			
	Will redeem.			9,634.50				
				9,633.00		75	29	
123	100	7,429	14,858	1.50				
				9,657.70	3,714.50	74	14	86
	Will redeem.			9,659.20				
				9,450.00		75	42	44
124	100	7,486	14,972	209.20				
				9,731.80	3,743.00			
	Will redeem.			9,941.00				
				9,804.00		76	43	1
125	100	7,544	15,088	137.00				
				9,807.20	3,772.00			
	Will redeem.			9,944.20				
				9,807.00		77	1	
126	100	7,601	15,202	137.20				
				9,881.30	3,800.50	76	42	58
	Will redeem.			10,018.50				
				9,933.00		77	43	15
127	100	7,658	15,316	85.50				
				9,955.40	3,829.00			
	Will redeem.			10,040.90				
				9,978.00		78	15	
128	100	7,715	15,430	62.90				
				10,029.50	3,857.50	77	28	72
	Will redeem.			10,092.40				
				10,052.00 *		78	43	29
129	100	7,772	15,544	40.40				
				10,103.60	3,886.00			
	Will redeem.			10,144.00				
				9,915.00		79	29	
130	100	7,829	15,658	229.00				
				10,177.70	3,914.50	78	13	87
	Will redeem.			10,406.70				
				10,191.00		79	43	44
131	100	7,887	15,774	215.70				
				10,253.10	3,943.50			
	Will redeem.			10,468.80				
				10,320.00		80	43	1
132	100	7,944	15,888	148.80				
				10,327.20	3,972.00			
	Will redeem.			10,476.00				
				10,323.00		81	1	
* Deduct for error				153.00				
				10.00		80	42	58
		91,352	183,104		45,776.00			
	13,200				297,783.05			
Deduct commission to agents					2,640.00		5,342	
					295,143.05			
Add interest					16,414.50			
Carry forward	13,200	550,520	1,101,040	143.00	311,557.55		5,342	

426

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward..	13,200	550,520	1,101,040	143.00	311,557.55		5,342	
133	100	8,001	16,002	10,401.30	4,080.50			
				10,544.30				
		Will redeem.		10,449.00		81	43	15
				95.30				
134	100	8,058	16,116	10,475.40	4,029.00			
				10,570.70				
		Will redeem.		10,494.00		82	15	
				76.70		81	28	72
135	100	8,115	16,230	10,549.50	4,057.50			
				10,626.20				
		Will redeem.		10,578.00		82	43	29
				48.20				
136	100	8,172	16,344	10,623.60	4,086.00			
				10,671.80				
		Will redeem.		10,665.00		83	29	
				6.80		82	14	86
137	100	8,229	16,458	10,697.70	4,114.50			
				10,704.50				
		Will redeem.		10,458.00		83	42	44
				246.50				
138	100	8,286	16,572	10,771.80	4,143.00			
				11,018.30				
		Will redeem.		10,836.00		84	43	1
				182.30				
139	100	8,344	16,688	10,847.20	4,172.00			
				11,029.50				
		Will redeem.		10,839.00		85	1	
				190.50		84	42	58
140	100	8,401	16,802	10,921.30	4,200.50			
				11,111.80				
		Will redeem.		10,965.00		85	43	15
				146.80				
141	100	8,458	16,916	10,995.40	4,229.00			
				11,142.20				
		Will redeem.		11,010.00		86	15	
				132.20		85	28	72
142	100	8,515	17,030	11,069.50	4,257.50			
				11,201.70				
		Will redeem.		11,094.00		86	43	29
				170.70				
143	100	8,572	17,144	11,143.60	4,286.00			
				11,251.30				
		Will redeem.		11,181.00		87	29	
				70.30		86	14	86
144	100	8,629	17,258	11,217.70	4,314.50			
				11,288.00				
		Will redeem.		11,223.00		87	43	43
				65.00				
			199,560		49,890.00			
	14,400		1,300,600		361,447.55		5,857	
Deduct commission to agents.....					2,640.00			
					358,807.55			
Add interest.....					20,110.95			
Carry forward.....	14,400	650,300	1,300,600	65.00	378,918.50		5,857	

427

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Balce.
	Forward.. 14,400	650,300	1,300,600	65.00	378,918.50		3,857	
145	100	8,686	17,372	11,291.80	4,343.00			
				11,356.80				
		Will redeem.		11,352.00		88	43	
				4.80				
146	100	8,743	17,486	11,365.90	4,371.50			
				11,370.70				
		Will redeem.		11,352.00		88	43	57
				18.70*				
147	100	8,800	17,600	11,440.00	4,400.00			
				11,448.70				
		Will redeem.		11,214.00		89	42	15
				234.70				
148	100	8,857	17,714	11,514.10	4,428.50			
				11,748.80				
		Will redeem.		11,526.00		90	15	
				222.80		89	28	72
149	100	8,915	17,830	11,589.50	4,457.50			
				11,812.30				
		Will redeem.		11,610.00		90	43	29
				202.30				
150	100	8,972	17,944	11,663.60	4,486.00			
				11,865.90				
		Will redeem.		11,697.00		91	29	
				168.90		90	14	86
151	100	9,029	18,058	11,737.70	4,514.50			
				11,906.60				
		Will redeem.		11,742.00		91	43	43
				164.60				
152	100	9,086	18,172	11,811.80	4,543.00			
				11,976.40				
		Will redeem.		11,868.00		92	43	
				108.40				
153	100	9,143	18,286	11,885.90	4,571.50			
				11,994.30				
		Will redeem.		11,868.00		92	43	57
				126.30				
154	100	9,200	18,400	11,960.00	4,600.00			
				12,086.30				
		Will redeem.		11,997.00		93	43	14
				89.30				
155	100	9,257	18,514	12,034.10	4,628.50			
				12,123.40				
		Will redeem.		12,027.00		94	14	
				96.40		93	29	71
156	100	9,314	18,628	12,108.20	4,657.00			
				12,204.60				
		Will redeem.		12,126.00		94	43	28
				78.60				
*Add for error.....				10.00				
		108,082	216,004					
	15,600	758,302	1,516,604	88.60	432,919.50		6,372	
Deduct commission to agents.....					2,640.00			
					430,279.50			
Add interest.....					24,275.94			
Carry forward.....	15,600	758,302	1,516,604	88.60	454,555.44		6,372	

428 Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward..	15,600	758,302	1,516,604	88.60	454,555.44		6,372	
157	100	9,371	18,742	12,182.30	4,685.50			
				12,270.90				
		Will redeem.		12,120.00		95	28	
				150.90		94	15	85
158	100	9,428	18,856	12,256.40	4,714.00			
				12,407.30				
		Will redeem.		12,255.00		95	43	42
				152.30				
159	100	9,485	18,970	12,330.50	4,742.50			
				12,482.80				
		Will redeem.		12,381.00		96	42	
				101.80		95	1	99
160	100	9,542	19,084	12,404.60	4,771.00			
				12,506.40				
		Will redeem.		12,384.00		96	43	56
				122.40				
161	100	9,599	19,198	12,478.70	4,799.50			
				12,601.10				
		Will redeem.		12,513.00		97	43	13
				88.10				
162	100	9,656	19,312	12,552.80	4,828.00			
				12,640.90				
		Will redeem.		12,552.00		98	13	
				88.90		97	30	70
163	100	9,713	19,426	12,626.90	4,856.50			
				12,715.80				
		Will redeem.		12,642.00		98	43	27
				73.80				
164	100	9,770	19,540	12,701.00	4,885.00			
				12,773.80*				
		Will redeem.		12,723.00		99	27	
				50.80		98	16	84
165	100	9,827	19,654	12,775.10	4,913.50			
				12,825.90				
		Will redeem.		12,771.00		99	43	41
				54.90				
166	100	9,884	19,768	12,849.20	4,942.00			
				12,904.10				
		Will redeem.		12,894.00		100	41	
				20.10*		99	2	98
167	100	9,941	19,882	12,923.30	4,970.50			
				12,943.40				
		Will redeem.		12,900.00		100	43	55
				43.40				
168	100	9,998	19,996	12,997.40	4,999.00			
				13,040.80				
		Will redeem.		13,029.00		101	43	12
				11.80				
*Deduct for errors				9.00				
	16,800				512,662.40		6,888	
Deduct commission to agents					2,640.00			
					510,022.44			
Add interest					28,937.23			
Carry forward.....	16,800	874,516	1,749,032	2.80	538,959.67		6,888	

429

Month.		Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Rate.
169	Forward..	16,800	874,516	1,749,032	2.80	598,959.67			
		100	10,055	20,110	13,071.50	5,027.50		1,388	
					13,074.30				
			Will redeem.		13,065.00		102	12	
170		100	10,112	20,224	9.30		101	31	69
					13,145.60	5,056.00			
					13,154.90				
			Will redeem.		12,852.00		102	42	27
171		100	10,169	20,338	302.90				
					13,219.70	5,084.50			
					13,522.60				
			Will redeem.		13,260.00		103	27	
172		100	10,227	20,454	283.60		102	16	84
					13,295.10	5,113.50			
					13,578.70				
			Will redeem.		13,287.00		103	13	41
173		100	10,284	20,568	291.70				
					13,369.20	5,142.00			
					13,660.90				
			Will redeem.		13,410.00		104	41	
174		100	10,341	20,682	250.80		103	2	98
					13,443.30	5,170.50			
					13,649.20				
			Will redeem.		13,416.00		104	43	55
175		100	10,398	20,796	278.20				
					13,517.40	5,199.00			
					13,795.60				
			Will redeem.		13,545.00		105	43	12
176		100	10,455	20,910	250.60				
					13,591.50	5,227.50			
					13,842.10				
			Will redeem.		13,581.00		106	12	
177		100	10,512	21,024	261.10		105	31	69
					13,665.60	5,256.00			
					13,926.70				
			Will redeem.		13,674.00		106	43	26
178		100	10,569	21,138	252.70				
					13,739.70	5,284.50			
					13,992.40				
			Will redeem.		13,752.00		107	26	
179		100	10,626	21,252	240.40		106	17	83
					13,813.80	5,313.00			
					14,054.20				
			Will redeem.		13,803.00		107	43	40
180		100	10,683	21,366	251.20				
					13,887.90	5,341.50			
					14,139.10				
			Will redeem.		13,923.00		108	40	
					216.10		107	3	97
		18,000				601,175.17		7,403	
Deduct commission to agents						2,640.00			
						598,535.17			
Add interest						34,124.83			
Carry forward		18,000	908,947	1,907,894	216.10	632,660.00		7,403	

439 Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward..	18,000	908,947	1,907,894	216.10	632,660.00		7,403	
	100	10,740	21,480	13,962.00	5,370.00			
181				14,178.10				
				13,932.00		108	43	54
		Will redeem.						
				246.10				
182	100	10,797	21,594	14,036.10	5,398.50			
				14,282.20				
		Will redeem.		14,061.00		109	43	11
				121.20*				
183	100	10,854	21,708	14,110.20	5,427.00			
				14,231.40				
		Will redeem.		14,094.00		110	11	
				137.40		109	32	68
184	100	10,911	21,822	14,184.30	5,455.50			
				14,321.70				
		Will redeem.		14,190.00		110	43	25
				131.70				
185	100	10,968	21,936	14,258.40	5,484.00			
				14,390.10				
		Will redeem.		14,265.00		111	25	
				125.10		110	18	82
186	100	11,025	22,050	14,332.50	5,512.50			
				14,457.60				
		Will redeem.		14,319.00		111	43	39
				138.60				
187	100	11,082	22,164	14,406.60	5,541.00			
				14,545.20				
		Will redeem.		14,436.00		112	39	
				109.20		111	4	96
188	100	11,139	22,278	14,480.70	5,569.50			
				14,589.90				
		Will redeem.		14,448.00		112	43	53
				141.90				
189	100	11,196	22,392	14,554.80	5,598.00			
				14,696.70				
		Will redeem.		14,556.00		113	43	10
				140.70				
190	100	11,253	22,506	14,628.90	5,626.50			
				14,769.60				
		Will redeem.		14,607.00		114	10	
				162.60		113	35	67
191	100	11,310	22,620	14,703.00	5,655.00			
				14,865.60				
		Will redeem.		14,706.00		114	43	24
				159.60				
192	100	11,367	22,734	14,777.10	5,683.50			
				14,936.70				
		Will redeem.		14,778.00		115	24	
				158.70		114	19	81
	19,200				698,081.00		7,919	
Deduct commission to agents					2,640.00			
					696,341.00			
Add interest					39,870.03			
Carry forward	19,200	1,131,589	2,263,178	158.70	736,211.03		7,919	
*Add for error				100.00				
				258.70				

431

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Date
193 Forward..	19,200	1,131,589	2,263,178	258.70	799,211.03		7,919	
	100	11,424	22,848	14,851.20	5,712.00			
				15,109.90				
		Will redeem.		14,835.00		115	43	28
194	100	11,481	22,962	274.90				
				14,925.30	5,740.50			
				15,200.20				
		Will redeem.		14,949.00		116	38	
195	100	11,538	23,076	251.20		115	5	93
				14,999.40	5,769.00			
				15,250.60				
		Will redeem.		14,964.00		116	43	52
196	100	11,595	23,190	286.60				
				15,073.50	5,797.50			
				15,360.10				
		Will redeem.		15,093.00		117	43	9
197	100	11,652	23,304	267.10				
				15,147.60	5,826.00			
				15,414.70				
		Will redeem.		15,120.00		118	9	
198	100	11,709	23,418	294.70		117	34	66
				15,221.70	5,854.50			
				15,516.40				
		Will redeem.		15,222.00		118	43	23
199	100	11,766	23,532	294.40				
				15,295.80	5,883.00			
				15,590.20				
		Will redeem.		15,291.00		119	23	
200	100	11,823	23,646	299.20		118	20	80
				15,369.90	5,911.50			
				15,669.10				
		Will redeem.		15,351.00		119	43	37
201	100	11,880	23,760	318.10				
				15,444.00	5,940.00			
				15,762.10				
		Will redeem.		15,462.00		120	37	
202	100	11,937	23,874	300.10		119	6	94
				15,518.10	5,968.50			
				15,818.20				
		Will redeem.		15,480.00		120	43	51
203	100	11,994	23,988	338.20				
				15,592.20	5,997.00			
				15,930.40				
		Will redeem.		15,609.00		121	43	8
204	100	12,051	24,102	321.40				
				15,666.30	6,025.50			
				15,987.70				
		Will redeem.		15,633.00		122	8	
				354.70		121	35	65
	20,400				806,636.03		8,435	
Deduct commission to agents					2,640.00			
					803,996.03			
Add interest to reserve					46,206.21			
Carry forward.....	20,400	1,272,439	2,544,878	354.70	850,202.24		8,435	

432

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward.	20,400	1,272,439	2,544,878	354.70	850,202.24		8,435	
	100	12,108	24,216	15,740.40	6,054.00			
205				16,095.10				
		Will redeem.		15,738.00		122	43	22
				357.10				
206	100	12,165	24,330	15,814.50	6,082.50			
				16,171.60				
		Will redeem.		16,070.00*		123	22	
				101.60		122	22	78
207	100	12,222	24,444	15,888.60	6,111.00			
				15,990.00				
		Will redeem.		15,867.00		123	43	35
				123.20				
208	100	12,278	24,556	15,961.40	6,139.00			
				16,084.60				
		Will redeem.		15,972.00		124	35	
				112.60		123	8	92
209	100	12,335	24,670	16,035.50	6,167.50			
				16,148.10				
		Will redeem.		15,996.00		124	43	49
				152.10				
210	100	12,392	24,784	16,109.60	6,196.00			
				16,261.70				
		Will redeem.		16,125.00		125	43	6
				136.70				
211	100	12,449	24,898	16,183.70	6,224.50			
				16,320.40				
		Will redeem.		16,143.00		126	6	
				177.40		125	37	63
212	100	12,506	25,012	16,257.80	6,253.00			
				16,435.20				
		Will redeem.		16,254.00		126	43	20
				181.20				
213	100	12,563	25,126	16,331.90	6,281.50			
				16,513.10				
		Will redeem.		16,314.00		127	20	
				199.10		126	23	77
214	100	12,620	25,240	16,406.00	6,310.00			
				16,605.10				
		Will redeem.		16,383.00		127	43	34
				222.10				
215	100	12,677	25,354	16,480.10	6,338.50			
				16,702.20				
		Will redeem.		16,485.00		128	34	
				217.20		127	9	91
216	100	12,734	25,468	16,554.20	6,367.00			
				16,771.40				
		Will redeem.		16,512.00		128	43	48
				259.40				
*Deduct for error				100.00				
	21,600				924,726.74		8,952	
Deduct commiccion to agents					2,640.00			
					922,086.74			
Add interest					53,168.67			
Carry forward	21,600	1,421,488	2,842,976	159.40	975,255.41		8,952	

433

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures to be redeemed. Acc.	No.	Bdls.
Forward..	21,680	1,421,488	2,842,976	159.40	975,230.41		8,952	
217	100	12,791	25,582	16,628.30	6,395.50			
				16,797.70 *				
		Will redeem.		16,641.00		129	43	5
218	100	12,848	25,696	156.70				
				16,702.40	6,424.00			
		Will redeem.		16,859.10				
				16,656.00		130	5	
219	100	12,905	25,810	203.10		128	38	62
				16,776.50	6,452.50			
		Will redeem.		16,979.60				
				16,770.00		130	43	19
220	100	12,962	25,924	209.60				
				16,850.60	6,481.00			
		Will redeem.		17,060.20				
				16,827.00		131	19	
221	100	13,019	26,038	233.20		130	24	76
				16,924.70	6,509.50			
		Will redeem.		17,157.90				
				16,899.00		131	43	21
222	100	13,076	26,152	258.90				
				16,998.80	6,538.00			
		Will redeem.		17,257.70				
				16,998.00		132	33	
223	100	13,133	26,266	259.70		131	10	99
				17,072.90	6,566.50			
		Will redeem.		17,332.60				
				17,028.00		132	43	47
224	100	13,190	26,380	304.60				
				17,147.00	6,595.00			
		Will redeem.		17,451.60				
				17,157.00		133	43	4
225	100	13,247	26,494	294.60				
				17,221.10	6,623.50			
		Will redeem.		17,515.70				
				17,169.00		134	4	
226	100	13,304	26,608	346.70		133	39	61
				17,295.20	6,652.00			
		Will redeem.		17,641.90				
				17,286.00		134	43	18
227	100	13,361	26,722	355.80				
				17,369.30	6,680.50			
		Will redeem.		17,725.20				
				17,340.00		135	18	
228	100	13,418	26,836	385.20		134	25	75
				17,443.40	6,709.00			
		Will redeem.		17,828.60				
				17,415.00		135	43	32
Deduct for error				413.60				
				10.00				
	22,800				1,053,882.41		9,468	
* Deduct commission to agents.....					2,640.00			
Add interest.....					1,051,242.41			
					60,794.93			
Carry forward.....	22,800	1,578,742	3,157,484	403.60	1,112,037.34		9,468	

64 Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward..	22,800	1,578,742	3,157,484	403.60	1,112,037.34		9,468	
	100	13,475	26,950	17,517.50	6,737.50			
229				17,921.10				
				17,916.00				
		Will redeem.				136	32	
				5.10				
				17,591.60	6,766.00	135	12	88
230	100	13,532	27,064					
				17,586.70				
				17,544.00				
		Will redeem.				136	43	45
				42.70				
				17,664.40	6,794.00			
231	100	13,588	27,176					
				17,717.10				
				15,073.00				
		Will redeem.		17,673*		137	43	2
				44.10				
				17,738.50	6,822.50			
232	100	13,645	27,290					
				17,782.60				
				17,679.00				
		Will redeem.				138	2	
				103.60		137	41	59
				17,812.60	6,851.00			
233	100	13,702	27,404					
				17,916.20				
				17,802.00				
		Will redeem.				138	43	16
				114.20				
				17,886.70	6,879.50			
234	100	13,759	27,518					
				18,000.90				
				17,850.00				
		Will redeem.				139	16	
				150.90		138	27	73
				17,960.80	6,908.00			
235	100	13,816	27,632					
				18,111.70				
				17,931.00				
		Will redeem.				139	43	30
				180.70				
				18,034.80	6,936.50			
236	100	13,873	27,746					
				18,215.50				
				18,021.00				
		Will redeem.				140	30	
				194.60		139	13	87
				18,109.00	6,965.00			
237	100	13,930	27,860					
				18,303.60				
				18,060.00				
		Will redeem.				140	43	44
				243.60				
				18,183.10	6,993.50			
238	100	13,987	27,974					
				18,426.70				
				18,189.00				
		Will redeem.				141	43	1
				237.70				
				18,257.20	7,022.00			
239	100	14,044	28,088					
				18,494.90				
				18,192.00				
		Will redeem.				142	1	
				302.90		141	42	58
				18,331.30	7,050.50			
240	100	14,101	28,202					
				18,634.20				
				18,318.00				
		Will redeem.				142	43	15
				316.20				
	24,000				1,194,763.34		9,985	
Deduct commission to agents.....					2,640.00			
					1,192,123.34			
Add interest.....					69,124.81			
Carry forward.....	24,000	1,741,191	3,488,388	316.20	1,261,248.15		9,985	

[* In pencil in copy.]

435

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward..	24,000	1,744,194	3,488,388	316.20	1,261,248.15		9,985	
241	100	14,158	28,316	18,405.40	7,079.00			
				18,721.60				
		Will redeem.		18,363.00		143	15	
242	100	14,215	28,430	358.60		142	28	72
				18,479.50	7,107.50			
				18,838.10				
		Will redeem.		18,447.00		143	43	29
243	100	14,272	28,544	391.10				
				18,553.00	7,136.00			
				18,944.70				
		Will redeem.		18,534.00		144	29	
244	100	14,329	28,658	410.70		143	14	86
				18,627.70	7,164.50			
				19,038.40				
		Will redeem.		19,008.00		144	44	42
245	100	14,386	28,772	30.40				
				18,701.80	7,193.00			
				18,732.20				
		Will redeem.		18,702.00		145	42	
246	100	14,442	28,884	30.20		144	1	99
				18,774.60	7,221.00			
				18,804.80				
		Will redeem.		18,705.00		145	43	56
247	100	14,499	28,998	99.80				
				18,848.70	7,249.50			
				18,948.50				
		Will redeem.		18,834.00		146	43	13
248	100	14,556	29,112	114.50				
				18,922.80	7,278.00			
				19,037.30				
		Will redeem.		18,873.00		147	13	
249	100	14,613	29,226	164.30		146	30	70
				18,996.90	7,306.50			
				19,161.20				
		Will redeem.		18,963.00		147	43	27
250	100	14,670	29,340	198.20				
				19,071.00	7,335.00			
				19,269.20				
		Will redeem.		19,044.00		148	27	
251	100	14,727	29,454	225.20		147	16	84
				19,145.10	7,363.50			
				19,370.30				
		Will redeem.		19,092.00		148	43	41
252	100	14,784	29,568	278.30				
				19,219.20	7,392.00			
				19,497.50		149	41	
		Will redeem.		19,215.00		148	2	98
				292.50				
	25,200				1,348,073.65		10,502	
Deduct commission to agents.....					2,640.00			
					1,345,433.65			
Add interest.....					78,200.45			
Carry forward..	25,200	1,917,845	3,835,690	292.50	1,423,634.10		10,502	

436 Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal.
Forward..	27,500	1,917,845	3,835,690	292.50*	1,421,634.10		10,502	
	100	14,841	29,682	19,293.30	7,420.50			
253				19,585.80		149	43	55
		Will redeem.		19,221.00				
				364.80				
254	100	14,898	29,796	19,367.40	7,449.00			
				19,732.20				
		Will redeem.		19,350.00		150	47	12
				382.20				
255	100	14,955	29,910	19,441.50	7,477.50			
				19,823.70				
		Will redeem.		19,386.00		151	12	
				437.70		150	31	69
256	100	15,012	30,024	19,515.60	7,506.00			
				19,953.30				
		Will redeem.		19,932.00		151	44	25
				21.30				
257	100	15,069	30,138	19,589.70	7,534.50			
				19,611.00				
		Will redeem.		19,554.00		152	25	
				57.00		151	18	82
258	100	15,125	30,250	19,662.50	7,562.50			
				19,719.50				
		Will redeem.		19,608.00		152	43	39
				111.50				
259	100	15,182	30,364	19,736.60	7,591.00			
				19,848.10				
		Will redeem.		19,725.00		153	39	
				123.10		152	4	96
260	100	15,239	30,478	19,810.70	7,619.50			
				19,933.80				
		Will redeem.		19,737.00		153	43	53
				196.80				
261	100	15,296	30,592	19,884.80	7,648.00			
				20,081.60				
		Will redeem.		19,866.00		154	43	10
				215.60				
262	100	15,353	30,706	19,958.90	7,676.50			
				20,174.50				
		Will redeem.		19,896.00		155	10	
				278.50		154	33	67
263	100	15,410	30,820	20,033.00	7,705.00			
				20,311.50				
		Will redeem.		19,995.00		155	43	24
				316.50				
264	100	15,467	30,934	20,107.10	7,733.50			
				20,423.60				
		Will redeem.		20,067.00		156	24	
				356.60		155	19	81
* Deduct for error				10.00				
	26,400				1,514,557.60		11,019	
Deduct commission to agents					2,640.00			
					1,511,917.60			
Add interest					88,066.55			
Carry forward.....	26,400	2,099,692	4,199,384	346.60	1,599,984.15		11,019	

437

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal.
Forward..	26,400	2,099,632	4,199,384	346.60	1,599,984.15		11,919	
265	100	15,524	31,048	20,181.20	7,762.00			
				20,527.80				
	Will redeem.			20,124.00		156	83	38
266	100	15,581	31,162	403.80				
				20,255.30	7,790.50			
				20,659.10				
	Will redeem.			20,238.00		157	38	
267	100	15,638	31,276	421.10		156	5	95
				20,329.40	7,819.00			
				20,750.50				
	Will redeem.			20,253.00		157	43	52
268	100	15,695	31,390	497.50				
				20,403.50	7,847.50			
				20,901.00				
	Will redeem.			20,856.00		158	44	8
269	100	15,752	31,504	45.00				
				20,477.60	7,876.00			
				20,522.60				
	Will redeem.			20,406.00		159	8	
270	100	15,808	31,616	116.60		158	35	65
				20,550.40	7,904.00			
				20,667.00				
	Will redeem.			20,511.00		159	43	22
271	100	15,865	31,730	156.00				
				20,624.30*	2,932.50			
				20,780.30				
	Will redeem.			20,077.00		160	22	
272	100	15,922	31,844	203.30		159	21	79
				20,698.60	7,961.00			
				20,901.90				
	Will redeem.			20,640.00		160	43	36
272	100	15,979	31,958	261.90				
				20,772.70	7,989.50			
				21,034.60				
	Will redeem.			20,748.00		161	36	
273	100	16,036	32,072	286.60		160	7	93
				20,846.80	8,018.00			
				21,133.40				
	Will redeem.			20,769.00		161	43	50
274	100	16,093	32,186	364.40				
				20,920.90	8,046.50			
				21,285.30				
	Will redeem.			20,898.00		162	43	7
276	100	16,150	32,300	387.30				
				20,995.00	8,075.00			
				21,382.30				
	Will redeem.			20,919.00		163	7	
*Add for error				463.30		162	36	64
				.20				
	27,600				1,695,005.65		11,536†	
Deduct commission to agents					2,640.00			
					1,692,365.65			
Add interest					98,770.49			
Carry forward	27,600	2,289,735	4,579,470	463.50	1,791,136.14		11,536†	

[†In pencil in copy.]

438 Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward..	27,600	2,289,735	4,579,470	463.50	1,791,136.14		11,536	
	100	16,207	32,174	21,069.10	8,103.50			
277				21,532.20*				
		Will redeem.		21,027.00		163	43	21
				505.20				
278	100	16,264	32,528	21,143.20	8,132.00			
				21,648.40				
		Will redeem.		21,579.00		164	21	
				69.40		163	23	77
279	100	16,321	32,642	21,217.30	8,160.50			
				21,286.70				
		Will redeem.		21,156.00		164	43	34
				130.70				
280	100	16,377	32,754	21,290.10	8,188.50			
				21,420.80				
		Will redeem.		21,258.00		165	34	
				162.80		164	9	91
281	100	16,434	32,868	21,364.20	8,217.00			
				21,527.00				
		Will redeem.		21,285.00		165	43	48
				242.00				
282	100	16,491	32,982	21,438.30	8,245.50			
				21,680.30				
		Will redeem.		21,414.00		166	43	5
				266.30				
283	100	16,548	33,096	21,512.40	8,274.00			
				21,778.70				
		Will redeem.		21,429.00		167	5	
				349.70		166	38	62
284	100	16,605	33,210	21,587.50*	8,302.50			
				21,937.20				
		Will redeem.		21,543.00		167	43	19
				394.20				
285	100	16,662	33,324	21,660.60	8,331.00			
				22,054.80				
		Will redeem.		21,600.00		168	19	
				454.80		167	24	76
286	100	16,719	33,438	21,734.70	8,359.50			
				22,189.50				
		Will redeem.		21,672.00		168	43	33
				517.50				
287	100	16,776	33,552	21,808.80	8,388.00			
				22,326.30				
		Will redeem.		22,275.00		169	33	
				51.30		168	11	89
288	100	16,833	33,666	21,882.90	8,416.50			
				21,934.20				
		Will redeem.		21,801.00		169	43	46
				133.20				
* Deduct for these two errors.....				.60				
	28,800				1,890,254.64		12,054	
Deduct commission to agents.....					2,640.00			
					1,887,614.64			
Add interest.....					110,362.52			
Carry forward.....	28,800	2,487,972	4,975,944	132.60	1,997,977.16		12,054	

[In pencil in copy :] 14 years deb.

439

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward..	28,800	2,487,972	4,975,944	132.60	1,997,977.16		12,054	
289	100	16,889	33,778	21,955.70	8,444.50			
				22,088.30				
		Will redeem.		21,930.00		170	43	3
				158.30				
290	100	16,946	33,892	22,029.80	8,473.00			
				22,188.10				
				21,939.00		171	3	
				249.10		170	40	60
291	100	17,003	34,006	22,103.90	8,501.50			
				22,353.00				
		Will redeem.		22,059.00		171	43	17
				294.00				
292	100	17,060	34,120	22,178.00	8,530.00			
				22,472.00				
		Will redeem.		22,110.00		172	17	
				362.00		171	26	74
293	100	17,117	34,234	22,252.10	8,558.50			
				22,614.10				
		Will redeem.		22,178.00*		172	43	31
				436.10				
294	100	17,174	34,348	22,326.20	8,587.00			
				22,762.30				
		Will redeem.		22,281.00		173	31	
				481.30		172	12	88
295	100	17,231	34,462	22,400.30	8,615.50			
				22,881.60				
		Will redeem.		22,836.00		173	44	44
				45.60				
296	100	17,288	34,576	22,474.40	8,644.00			
				22,511.00*				
		Will redeem.		22,446.00		174	43	1
				65.00				
297	100	17,344	34,688	22,547.20	8,672.00			
				22,612.20				
		Will redeem.		22,449.00		175	1	
				163.20		174	42	58
298	100	17,401	34,802	22,621.30	8,700.50			
				22,784.50				
		Will redeem.		22,575.00		175	43	15
				209.50				
299	100	17,458	34,916	22,695.40	8,729.00			
				22,904.90				
		Will redeem.		22,620.00		176	15	
				284.90		175	28	72
300	100	17,515	35,030	22,769.50	8,757.50			
				23,054.40				
		Will redeem.		22,704.00		176	43	29
				350.40				
*Deduct $1 for these two errors.....				1.00				
	39,000	2,694,398	5,388,796	349.40	2,221,445.98*		12,571†	
*Reserve fund					2,101,190.16			
Deduct commission.....					2,640.00			
					2,098,550.16			
Add interest					122,895.82			
					2,221,445.98			

[†In pencil in copy.]

440 Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward..	30,000	2,694,398	5,388,796	349.40	2,221,445.98		12,571	
301	100	17,572	35,144	22,843.60	8,786.00			
				23,193.00				
		Will redeem.		22,791.00		177	29	
				402.00		176	14	86
302	100	17,629	35,258	22,917.70	8,814.50			
				23,319.70				
		Will redeem.		22,833.00		177	43	43
				486.70				
303	100	17,686	35,372	22,991.80	8,843.00			
				23,478.50				
		Will redeem.		22,962.00		178	44	
				516.50				
304	100	17,743	35,486	23,065.90	8,871.50			
				23,582.40				
		Will redeem.		23,496.00		178	44	56
				86.40				
305	100	17,800	35,600	23,140.00	8,900.00			
				23,226.40				
		Will redeem.		23,091.00		179	43	13
				135.40				
306	100	17,856	35,712	23,212.80	8,928.00			
				23,348.20				
		Will redeem.		130.00		180	13	
				118.20*		179	30	70
307	100	17,913	35,826	23,286.90	8,956.50			
				23,405.10				
		Will redeem.		23,220.00		180	43	27
				185.10				
308	100	17,970	35,940	23,361.00	8,985.00			
				23,546.10				
		Will redeem.		23,301.00		181	27	
				245.10		180	16	84
309	100	18,027	36,054	23,435.10	9,013.50			
				23,680.20				
		Will redeem.		23,349.00		181	43	41
				331.20				
310	100	18,084	36,168	23,509.20	9,042.00			
				23,840.40				
		Will redeem.		23,472.00		182	41	
				368.40		181	2	98
311	100	18,141	36,282	23,583.30	9,070.50			
				23,951.70				
		Will redeem.		23,478.00		182	43	55
				473.70				
312	100	18,198	36,396	23,657.40	9,099.00			
				24,131.10				
		Will redeem.		23,607.00		183	43	12
				524.10				
* Add for error.....				100.00				
	31,200				2,228,755.48		13,088	
Deduct commission to agents.....					2,640.00			
					2,326,115.48			
Add interest.....					136,426.84			
Carry forward.....	31,200	2,909,017	5,818,034	624.10	2,462,542.32		13,088	

441

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Balce.
	Forward.. 31,200	2,909,017	5,818,034	624.10	2,462,542.32		13,088	
313	100	18,255	36,510	23,731.50	9,127.50			
				24,355.60				
		Will redeem.		24,186.00		184	12	
				169.60		183	32	68
314	100	18,312	36,624	23,805.60	9,156.00			
				23,975.20				
		Will redeem.		23,736.00		184	43	25
				239.20				
315	100	18,368	36,736	23,878.40	9,184.00			
				24,117.60				
		Will redeem.		23,811.00		185	25	
				306.60		184	18	82
316	100	18,425	36,850	23,952.50	9,212.50			
				24,259.10				
		Will redeem.		23,865.00		185	43	39
				394.10				
317	100	18,482	36,964	24,026.60	9,241.00			
				24,420.70				
		Will redeem.		23,982.00		186	39	
				438.70		185	4	96
318	100	18,539	37,078	24,100.70	9,269.50			
				24,539.40				
		Will redeem.		23,994.00		186	43	53
				545.40				
319	100	18,596	37,192	24,174.80	9,298.00			
				24,720.20				
		Will redeem.		24,684.00		187	44	9
				36.20				
320	100	18,653	37,306	24,248.90	9,326.50			
				24,285.10				
		Will redeem.		24,150.00		188	9	
				135.10		187	34	66
321	100	18,709	37,418	24,321.70	9,354.50			
				24,456.80				
		Will redeem.		24,252.00		188	43	23
				204.80				
322	100	18,766	37,532	24,395.80	9,383.00			
				24,600.60				
		Will redeem.		24,321.00		189	23	
				279.60		188	20	80
323	100	18,823	37,646	24,469.90	9,411.50			
				24,749.50				
		Will redeem.		24,381.00		189	43	37
				368.50				
324	100	18,890	37,780	24,557.00	9,445.00			
				24,925.50				
		Will redeem.		24,492.00		190	37	
				433.50		189	6	94
	32,400				2,573,951.32		13,596	
Deduct commission					2,640.00			
					2,571,311.32			
Add interest					151,015.60			
Carry forward	32,400	3,131,835	6,263,670	433.50	2,722,326.92		13,596	

442

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward..	32,400	3,131,835	6,263,670	433.50	2,722,326.92		13,596	
325	100	18,947	37,894	24,631.10	9,473.50			
				25,064.60				
		Will redeem.		24,510.00		190	43	51
				554.60				
326	100	19,004	38,008	24,705.20	9,502.00			
				25,259.80				
		Will redeem.		25,212.00		191	44	7
				47.80				
327	100	19,061	38,122	24,779.30	9,530.50			
				24,827.10				
		Will redeem.		24,660.00		192	7	
				167.10		191	36	64
328	100	19,117	38,234	24,852.10	9,558.50			
				25,019.20				
		Will redeem.		24,768.00		192	43	21
				251.20				
329	100	19,174	38,348	24,926.20	9,587.00			
				25,177.40				
		Will redeem.		24,831.00		193	21	
				346.40		192	22	78
330	100	19,231	38,462	25,000.30	9,615.50			
				25,346.70				
		Will redeem.		24,897.00		193	43	35
				449.70				
331	100	19,288	38,576	25,074.40	9,644.00			
				25,524.10				
		Will redeem.		25,002.00		194	35	
				522.10		193	8	92
332	100	19,345	38,690	25,148.50	9,672.50			
				25,670.60				
		Will redeem.		25,026.00		194	43	49
				644.60				
333	100	19,402	38,804	25,222.60	9,701.00			
				25,867.20				
		Will redeem.		25,740.00		195	44	5
				127.20				
334	100	19,459	38,918	25,296.70	9,729.50			
				25,423.90				
		Will redeem.		25,170.00		196	5	
				253.90		195	38	62
335	100	19,515	39,030	25,369.50	9,757.50			
				25,623.40				
		Will redeem.		25,284.00		196	43	19
				339.40				
336	100	19,572	39,144	25,443.60	9,786.00			
				25,783.00				
		Will redeem.		25,341.00		197	19	
				442.00		196	24	76
	33,600				2,837,884.42		14,114	
Deduct commission to agents.....					2,640.00			
					2,835,244.42			
Add interest.....					166,826.13			
Carry forward.....	33,600	3,362,950	6,725,900	442.00	3,002,070.55		14,114	

443

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
337 Forward..	33,600	3,362,950	6,725,900	442.00	3,002,070.55		14,114	
	100	19,629	39,258	25,517.70	9,814.50			
				25,959.70				
		Will redeem.		25,413.00	197	43	33	
338	100	19,686	39,372	546.70				
				25,591.80	9,843.00			
				26,148.50				
		Will redeem.		26,103.00		198	33	
339	100	19,743	39,486	45.50		197	11	80
				25,665.90	9,871.50			
				25,701.40				
		Will redeem.		25,542.00		198	43	46
340	100	19,799	39,598	159.40				
				25,738.70	9,899.50			
				25,898.10				
		Will redeem.		25,671.00		199	43	3
341	100	19,856	39,712	227.10				
				25,812.80	9,928.00			
				26,039.90				
		Will redeem.		25,680.00		200	3	
342	100	19,913	39,826	359.90		199	40	60
				25,886.90	9,956.50			
				26,246.80				
		Will redeem.		25,800.00		200	43	17
343	100	19,970	39,940	446.80				
				25,961.00	9,985.00			
				26,407.80				
		Will redeem.		25,857.00		201	17	
344	100	20,027	40,054	550.80		200	26	74
				26,035.10	10,013.50			
				26,585.90				
		Will redeem.		26,532.00		201	44	30
345	100	20,084	40,168	53.90				
				26,109.20	10,042.00			
				26,163.10				
		Will redeem.		26,019.00		202	30	
346	100	20,140	40,280	144.10		201	13	87
				26,182.00	10,070.00			
				26,326.10				
		Will redeem.		26,058.00		202	43	44
347	100	20,197	40,394	268.10				
				26,256.10	10,098.50			
				26,524.20				
		Will redeem.		26,187.00		203	43	1
348	100	20,254	40,508	337.20				
				26,330.20	10,127.00			
				26,667.40				
		Will redeem.		26,190.00		204	1	
	34,800			477.40		203	42	58
					3,121,719.55		14,632	
Deduct commission to agents					2,640.00			
					3,119,079.55			
Add interest					183,635 50			
Carry forward.....	34,800	3,602,248	7,204,496	477.40	3,302,715.05		14,632	

443½ Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward..	34,800	3,602,248	7,204,496	477.40	3,302,715.05		14,632	
	100	20,311	40,622	26,404.30	10,155.50			
349				26,881.70				
		Will redeem.		26,316.00		204	43	15
				565.70				
350	100	20,368	40,736	26,478.40	10,184.00			
				27,044.10				
		Will redeem.		26,973.00		205	15	
				71.10		204	29	71
351	100	20,425	40,850	26,552.50	10,212.50			
				26,623.60				
		Will redeem.		26,445.00		205	43	28
				178.60				
352	100	20,481	40,962	26,625.30	10,240.50			
				26,803.90				
		Will redeem.		26,529.00		206	28	
				274.90		205	15	85
353	100	20,538	41,076	26,699.40	10,269.00			
				26,974.30				
		Will redeem.		26,574.00		206	43	42
				400.30				
354	100	20,595	41,190	26,773.50	10,297.50			
				27,173.80				
		Will redeem.		26,700.00		207	42	
				473.80		206	1	99
355	100	20,652	41,304	26,847.60	10,326.00			
				27,321.40				
		Will redeem.		26,703.00		207	43	56
				618.00*				
356	100	20,709	41,418	26,921.70	10,354.50			
				27,539.70				
		Will redeem.		27,456.00		208	44	12
				83.70				
357	100	20,766	41,532	26,995.80	10,383.00			
				27,079.50				
		Will redeem.		26,868.00		209	12	
				211.50		208	31	69
358	100	20,822	41,644	27,068.60	10,411.00			
				27,280.10				
		Will redeem.		26,961.00		209	43	26
				319.10				
359	100	20,879	41,758	27,142.70	10,439.50			
				27,461.80				
		Will redeem.		27,039.00		210	26	
				422.80		209	17	83
360	100	20,936	41,872	27,216.80	10,468.00			
				27,639 60				
		Will redeem.		27,090.00		210	43	40
				549.60				
*Add for error				.40				
	36,000				3,426,456.05		15,150	
Deduct for commission to agents					2,640.00			
					3,423,816.05			
Interest					201,795.93			
Carry forward	36,000	3,849,730	7,699,460	550.00	3,423,816.05		15,150	
					201,795.93†			
					3,625,611.98†			

[† In pencil in copy.]

444

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Balce.
Forward..	36,000	3,849,730	7,699,460	550.00	3,625,611.98		15,150	
361	100	20,993	41,986	27,290.90	10,496.50			
				27,840.90				
		Will redeem.		27,840.00		214	40	
362	100	21,050	42,100	.90		210	4	96
				27,365.00	10,525.00			
				27,365.90				
		Will redeem.		27,219.00		211	43	53
363	100	21,106	42,212	146.90				
				27,437.80	10,553.00			
				27,584.70				
		Will redeem.		27,348.00		212	43	10
364	100	21,163	42,326	236.70				
				27,511.90	10,581.50			
				27,748.60				
		Will redeem.		27,378.00		213	10	
365	100	21,220	42,440	370.60		212	33	67
				27,586.00	10,610.00			
				27,956.60				
		Will redeem.		27,477.00		213	43	24
366	100	21,277	42,554	479.60				
				27,660.10	10,638.50			
				28,139.70				
		Will redeem.		27,549.00		214	24	
367	100	21,334	42,668	590.70		213	19	81
				27,734.20	10,667.00			
				28,334.90*				
		Will redeem.		28,248.00		214	44	37
368	100	21,391	42,782	86.90				
				27,808.30	10,695.50			
				27,895.20				
		Will redeem.		27,717.00		215	37	
369	100	21,4474	2,894	178.20		214	6	94
				27,881.10	10,723.50			
				28,059.30				
		Will redeem.		27,735.00		215	43	51
370	100	21,504	43,008	324.30				
				27,955.20	10,752.00			
				28,279.50				
		Will redeem.		27,894.00		216	43	8
371	100	21,561	43,122	415.50				
				28,029.30	10,780.50			
				28,444.80				
		Will redeem.		27,888.00		217	8	
372	100	21,618	43,236	556.80		216	35	65
				28,103.40	10,809.00			
				28,660.20				
		Will redeem.		28,644.00		217	14	21
				16.20				
* Deduct for error.....				10.00				
	37,200				3,753,443.98		15,669	
Deduct commission to agents.....					2,640.00			
					3,750,803.98			
Add interest.....					221,292.48			
Carry forward.....	37,200	4,105,394	8,210,788	6.20	3,972,096.46		15,669	

445 Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
373 Forward..	37,200	4,105,394	8,210,788	6.20	3,972,096.46		15,669	
	100	21,675	43,350	28,177.50	10,857.50			
				28,183.70				
		Will redeem.		28,056.00		218	21	
				127.70		217	22	78
374	100	21,731	43,462	28,250.30	10,865.50			
				28,378.00				
		Will redeem.		28,122.00		218	43	35
				256.00				
375	100	21,788	43,576	28,324.40	10,894.00			
				28,580.40				
		Will redeem.		28,227.00		219	35	
				353.40		218	8	92
376	100	21,845	43,690	28,398.50	10,922.50			
				28,751.90				
		Will redeem.		28,251.00		219	43	49
				500.90				
377	100	21,902	43,804	28,472.60	10,951.00			
				28,973.50				
		Will redeem.		28,380.00		220	43	6
				593.50				
378	100	21,959	43,918	28,546.70	10,979.50			
				29,140.20				
		Will redeem.		29,058.06		221	38	62
				82.20		220	38	62
379	100	22,016	44,032	28,620.80	11,008.00			
				28,703.00				
		Will redeem.		28,509.00		221	43	19
				194.00				
380	100	22,072	44,144	28,693.60	11,036.00			
				28,887.60				
		Will redeem.		28,566.00		222	19	
				321.60		221	24	76
381	100	22,129	44,258	28,767.70	11,064.50			
				29,089.30				
		Will redeem.		28,638.00		222	43	33
				451.30				
382	100	22,186	44,372	28,841.80	11,093.00			
				29,293.10				
		Will redeem.		28,737.00		223	33	
				556.10		222	10	90
383	100	22,243	44,486	28,915.90	11,121.50			
				29,472.00				
		Will redeem.		29,436.00		223	44	46
				36.00				
384	100	22,300	44,600	28,960.00	11,150.00			
				29,026.00				
		Will redeem.		28,896.00		224	43	3
				130.00				
	38,400				4,104,019.46		16,187	
Deduct commissions					2,640.00			
					4,101,379.46			
Add interest					242,204.27			
Carry forward.....	38,400	4,369,240	8,738,480	130.00	4,343,583.73		16,187	

446

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward..	38,400	4,369,240	8,738,480	130.00	4,343,583.73		16,187	
385	100	22,356	44,712	29,062.80	11,178.00			
				29,192.80				
		Will redeem.		28,905.00		225	3	
386	100	22,413	44,826	287.80		224	40	60
				29,136.90	11,206.50			
				29,424.70				
		Will redeem.		29,025.00		225	43	17
387	100	22,470	44,940	399.70				
				29,211.00	11,235.00			
				29,610.70				
		Will redeem.		29,076.00		226	17	
388	100	22,527	45,054	534.70		225	26	74
				29,285.10	11,263.50			
				29,819.80				
		Will redeem.		29,154.00		226	43	31
389	100	22,584	45,168	665.80				
				29,359.20	11,292.00			
				30,025.00				
		Will redeem.		29,925.00		227	31	
390	100	22,641	45,282	100.00		226	15	87
				29,433.30	11,320.50			
				29,383.30				
		Will redeem.		29,283.00		227	43	44
391	100	22,697	45,394	250.30				
				29,506.10	11,348.50			
				29,756.40				
		Will redeem.		29,412.00		228	43	1
392	100	22,754	45,508	344.40				
				29,580.20	11,377.00			
				29,924.60				
		Will redeem.		29,301.00		229	1	
393	100	22,811	45,622	623.60		228	42	58
				29,654.30	11,405.50			
				30,277.90				
		Will redeem.		30,228.00		229	44	14
394	100	22,868	45,736	49.90				
				29,728.40	11,434.00			
				29,778.30				
		Will redeem.		29,583.00		230	14	
395	100	22,924	45,848	195.30		229	29	71
				29,801.20	11,462.00			
				29,996.50				
		Will redeem.		29,670.00		230	43	28
396	100	22,981	45,962	326.50				
				29,875.30	11,490.50			
				30,201.80				
		Will redeem.		29,754.00		231	28	
				447.80		230	15	85
	39,600				4,479,596.73		16,705	
Deduct commissions					2,640.00			
					4,476,956.73			
Add interest					264,615.21			
Carry forward..	39,600	4,641,266	9,282,532	447.80	4,741,571.94		16,705	

447

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward..	39,900	4,641,266	9,282,532	447.80	4,741,571.94		16,705	
	100	23,038	46,076	29,949.40	11,519.00			
397				30,397.20		231	43	42
				29,799.00				
		Will redeem.						
				599.20*				
398	100	23,095	46,190	30,023.50	11,547.50			
				30,622.70		232	42	
		Will redeem.		30,618.00				
				4.70		231	2	98
399	100	23,152	46,304	30,097.60	11,576.00			
				30,102.30		232	43	55
		Will redeem.		29,928.00				
				174.30				
400	100	21,208	46,416	30,170.40	11,604.00			
				30,344.70		231	43	12
		Will redeem.		30,057.00				
				287.70				
401	100	23,265	46,530	30,244.50	11,632.50			
				30,432.20*		234	12	
		Will redeem.		30,093.00				
				339.20		233	31	69
402	100	23,322	46,644	30,318.60	11,661.00			
				30,657.80		234	43	26
		Will redeem.		30,186.00				
				471.80				
403	100	23,379	46,758	30,392.70	11,689.50			
				30,864.50		235	26	
		Will redeem.		30,084.00				
				780.50		234	17	83
404	100	23,436	46,872	30,466.80	11,718.00			
				31,247.30		235	44	39
		Will redeem.		31,020.00				
				227.30				
405	100	23,493	46,986	30,540.90	11,746.50			
				30,768.20		236	39	
		Will redeem.		30,432.00				
				336.20		235	4	96
406	100	23,549	47,098	30,613.70	11,774.50			
				30,949.90		236	43	53
		Will redeem.		30,444.00				
				505.90				
407	100	23,606	47,212	30,687.80	11,803.00			
				31,193.70		237	43	10
		Will redeem.		30,573.00				
				620.70				
408	100	23,663	47,326	30,761.90	11,831.50			
				31,382.60		238	10	
		Will redeem.		31,314.00				
				68.60		237	34	66
				99.00				
*Add for these errors.....								
	40,800				4,881,674.94		17,224	
Deduct commission.....					2,640.00			
					4,879,034.94			
Interest.....					288,618.21			
Carry forward.....	40,800	4,921,472	9,842,944	167.60	5,167,653.15		17,224	

448

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bals.
Forward..	40,800	4,921,472	9,842,944	167.60	5,167,653.15		17,224	
409	100	23,720	47,440	30,836.00	11,860.00			
				31,003.60				
		Will redeem.		30,702.00		238	43	2
				301.60				
410	100	23,776	47,552	30,908.80	11,888.00			
				31,210.40				
		Will redeem.		30,771.00		239	23	
				439.40		238	20	80
411	100	23,833	47,666	30,982.90	11,916.50			
				31,422.30				
		Will redeem.		30,831.00		239	43	37
				591.30				
412	100	23,890	47,780	31,057.00	11,945.00			
				31,648.30				
		Will redeem.		30,942.00		240	37	
				706.30		239	6	94
413	100	23,947	47,894	31,131.10	11,973.50			
				31,837.40				
		Will redeem.		31,680.00		240	44	50
				157 40				
414	100	24,004	48,008	31,205.20	12,002.00			
				31,362.60				
		Will redeem.		31,089.00		241	43	7
				273.60				
415	100	24,060	48,120	31,278.00	12,030.00			
				31,551.60				
		Will redeem.		31,110.00		242	7	
				441.60		241	36	64
416	100	24,117	48,234	31,352.10	12,058.50			
				31,793.70				
		Will redeem.		31,218.00		242	43	21
				575.70				
417	100	24,174	48,348	31,426.20	12,087.00			
				32,001.90				
		Will redeem.		31,281.00		243	21	
				720.90		242	22	78
418	100	24,231	48,462	31,500.30	12,115.50			
				32,221.20				
		Will redeem.		32,076.00		243	44	34
				145.20				
419	100	24,288	48,576	31,574.40	12,144.00			
				31,719.60				
		Will redeem.		31,449.00		244	34	
				270.60		243	9	91
420	100	24,344	48,688	31,647.20	12,172.00			
				31,917.80				
		Will redeem.		31,476.00		244	43	48
				441.80				
	42,000				5,311,845.15		17,742	
Deduct commissions.....					2,640.00			
					5,309,205.15			
Add interest.....					314,406.74			
Carry forward.....	42,000	5,399,856	10,419,712	441.80	5,623,611.89		17,742	

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22

449 Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward..	42,000	5,299,856	10,419,712	441.80	5,623,611.89	17,742		
421	100	24,401	48,802	31,721.30	12,200.50			
				32,163.10				
	Will redeem.			31,605.00		245	43	5
				558.10				
422	100	24,458	48,916	31,795.40	12,229 00			
				32,353.50				
	Will redeem.			31,620.00		246	5	
				733.50		245	38	62
423	100	24,515	49,030	31,899.50	12,257.50			
				32,633.00				
	Will redeem.			32,472.00		246	44	18
				131.00				
424	100	24,572	49,144	31,943.60	12,286.00			
				32,074.60				
	Will redeem.			31,788.00		247	18	
				286.60		246	25	75
425	100	24,628	49,256	32,016.40	12,314.00			
				32,303.00				
	Will redeem.			31,863.00		247	43	32
				440.00				
426	100	24,685	49,370	32,030.50	12,342.50			
				32,530.50				
	Will redeem.			31,959 00		248	32	
				571.50		247	11	89
427	100	24,742	49,484	32,164.40	12,371.00			
				32,736.10				
	Will redeem.			31,992.00		248	43	46
				744.10				
428	100	24,799	49,598	32,238.70	12,399.50			
				32,982.80				
	Will redeem.			32,868.00		249	44	2
				114.80				
429	100	24,856	49,712	32,312.80	12,428.00			
				32,427.60				
	Will redeem.			32,127.00		250	2	
				300.60		249	41	59
430	100	24,912	49,824	32,385 60	12,456.00			
				32,686.20				
	Will redeem.			32,250.00		250	43	16
				436.20				
431	100	24,969	49,938	32,459.70	12,484.50			
				32,895.90				
	Will redeem.			32,298.00		251	16	
				597.90		250	27	73
432	100	25,026	50,052	32,583.80	12,513.00			
				33,131.70				
	Will redeem.			32,379.00		251	43	30
				752.70				
	43,200				5,771,893.39		18,260	
Deduct commissions.....					2,640.00			
					5,769,253.39			
Add interest					341,785.95			
Carry forward.....	43,200	5,506,419	11,012,838	752.70	6,111,039.34		18,260	

[In pencil in copy :] 36 years.

450

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Balce.
Forward..	43,200	5,506,419	11,012,838	752.70	6,111,039.34		18,260	
433	100	25,083	50,166	32,607.90	12,541.50			
				33,360.60				
		Will redeem.		33,222.00		252	30	
434	100	25,140	50,280	138.60				
				32,682.00	12,570.00	251	14	86
				32,820.60				
		Will redeem.		32,508.00		252	43	43
435	100	25,196	50,392	312.60				
				32,754.80	12,598.00			
				33,067.40				
		Will redeem.		32,637.00		253	43	
436	100	25,253	50,506	430.40				
				32,828.90	12,626.50			
				33,259.30				
		Will redeem.		32,637.00		253	43	57
437	100	25,310	50,620	622.30				
				32,903.00	12,655.00			
				33,525.30				
		Will redeem.		32,766.00		254	43	14
438	100	25,367	50,734	759.30				
				32,977.10	12,683.50			
				33,736.40				
		Will redeem.		33,570.00		255	14	
439	100	25,424	50,848	166.40		254	30	70
				33,051.20	12,712.00			
				33,217.60				
		Will redeem.		32,895.00		255	43	27
440	100	25,480	50,960	322.60				
				33,124.00	12,740.00			
				33,446.60				
		Will redeem.		32,976.00		256	27	
441	100	25,537	51,074	470.60		255	16	84
				33,198.10	12,768.50			
				33,668.70				
		Will redeem.		33,024.00		256	43	41
442	100	25,594	51,188	644.70				
				33,272.20	12,797.00			
				33,916.90				
		Will redeem.		33,147.00		257	41	
443	100	25,651	51,302	769.90		256	2	98
				33,346.30	12,825.50			
				34,116.20				
		Will redeem.		33,924.00		257	44	54
444	100	25,708	51,416	192.20				
				33,420.40	12,854.00			
				33,612.60				
		Will redeem.		33,282.00		258	43	11
				330.60				
	44,400				6,263,410.84		18,779	
Deduct commissions					2,640.00			
					6,260,770.84			
Add interest					371,154.29			
Carry forward.....	44,400	5,811,162	11,622,324	330.60	6,631,925.13		18,779	

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed.		
Forward..	44,400	5,811,162	11,622,324	330.60	6,631,925.13	18,779		
445	100	25,764	51,528	33,493.20	12,882.00			
				33,823.80				
		Will redeem.		33,315.00		259	11	
				508.80		258	32	68
446	100	25,821	51,642	33,567.30	12,910.50			
				34,076.10				
		Will redeem.		33,411.00		259	43	25
				665.10				
447	100	25,878	51,756	33,641.40	12,939.00			
				34,306.50				
		Will redeem.		33,486.00		260	25	
				820.50		259	18	82
448	100	25,935	51,870	33,715.50	12,967.50			
				34,536.00				
		Will redeem.		34,320.00		260	44	38
				216.00				
449	100	25,992	51,984	33,789.60	12,996.00			
				34,005.60				
		Will redeem.		33,654.00		261	38	
				351.60		260	5	95
450	100	26,048	52,096	33,862.40	13,024.00			
				34,214.00				
		Will redeem.		33,669.00		261	43	52
				545.00				
451	100	26,105	52,210	33,936.50	13,052.50			
				34,481.50				
		Will redeem.		33,798.00		262	43	9
				683.50				
452	100	26,162	52,324	34,010.60	13,081.00			
				34,694.10				
		Will redeem.		33,825.00		264	9	
				869.10		262	34	66
453	100	26,219	52,438	34,084.70	13,109.50			
				34,953.80				
		Will redeem.		34,716.00		263	44	22
				237.80				
454	100	26,276	52,552	34,158.80	13,138.00			
				34,396.60				
		Will redeem.		33,993.00		264	22	
				403.60		263	21	79
455	100	26,332	52,664	34,231.60	13,166.00			
				34,635.20				
		Will redeem.		34,056.00		264	43	36
				579.20				
456	100	26,389	52,778	34,305.70	13,194.50			
				34,884.90				
		Will redeem.		34,164.00		265	36	
				720.90		264	7	93
	45,600				6,788,385.63		19,297	
Deduct commissions					2,640.00			
					6,785,745.63			
Add interest					402,609.31			
Carry forward.....	45,600	6,124,083	12,248,166	720.90	7,188,354.94		19,297	

452

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Redentures redeemed. Ages.	No.	Balce.
	Forward.. 45,600	6,424,083	12,248,166	720.30	7,188,354.94			
457	100	26,448	52,892	31,379.80	13,223.00	19,267		
				35,100.70				
		Will redeem.		34,980.00		265	44	40
458	100	26,503	53,006	120.70				
				34,453.90	13,251.50			
				34,574.60				
		Will redeem.		34,314.00		266	43	8
459	100	26,559	53,118	260.60				
				34,526.70	13,279.50			
				34,787.30				
		Will redeem.		34,392.00		267	6	
460	100	26,616	53,232	395.30				
				34,600.80	13,308.00	266	37	63
				35,096.10*				
		Will redeem.		34,443.00		267	43	20
461	100	26,673	53,346	653.10				
				34,674.90	13,336.50			
				35,328.00				
		Will redeem.		35,304.00		268	20	
462	100	26,730	53,460	24.00				
				34,749.00	13,365.00	267	24	76
				34,773.00				
		Will redeem.		34,572.00		268	43	31
463	100	26,786	53,572	201.00				
				34,821.80	13,393.00			
				35,022.80				
		Will redeem.		34,671.00		269	33	
464	100	26,843	53,686	351.80				
				34,895 90	13,421.50	268	10	90
				35,247.70				
		Will redeem.		34,701.00		269	43	47
465	100	26,900	53,800	546.70				
				34,970.00	13,450.00			
				35,516.70				
		Will redeem.		34,830.00		270	43	4
466	100	26,957	53,914	686.70				
				35,044.10	13,478.50			
				35,730.80				
		Will redeem.		34,842.00		271	4	
467	100	27,014	54,028	888.80		270	39	61
				35,118.20	13,507.00			
				36,007.00				
		Will redeem.		35,772.00		271	44	17
468	100	27,071	54,142	235.00				
				35,192.30	13,535.50			
				35,427.30				
		Will redeem.		35,010.00		272	17	
* Deduct for error				417.30		271	26	74
	46,800	6,445,181	12,890,362	317.30	7,348,903.94	19,816		
Deduct commissions					2,640.00			
					7,346,263.94			
Add interest					436,038.57			
Carry forward	46,800	6,445,181	12,890,362	317.30	7,782,302.51	19,816		

453 Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward..	46,800	6,445,181	12,890,362	317.30	7,782,302.51		19,816	
469	100	27,127	54,254	35,265.10	13,563.50			
				35,582.40				
		Will redeem.		35,088.00		272	43	31
				494.40				
470	100	27,184	54,368	35,339.20	13,592.00			
				35,833.60				
		Will redeem.		35,181.00		273	31	
				652.60		272	12	88
471	100	27,241	54,482	35,413.30	13,620.50			
				36,065.90				
		Will redeem.		36,036.00		273	44	44
				29.90				
472	100	27,298	54,596	35,487.40	13,649.00			
				35,517.30				
		Will redeem.		35,346.00		274	43	1
				171.30				
473	100	27,354	54,708	35,560.20	13,677.00			
				35,731.50				
		Will redeem.		35,349.00		275	1	
				382.50		274	42	58
474	100	27,411	54,822	35,634.30	13,705.50			
				36,016.80				
		Will redeem.		35,475.00		275	43	15
				541.80				
475	100	27,468	54,936	35,708.40	13,734.00			
				36,250.20				
		Will redeem.		35,520.00		276	15	
				730.20		275	28	72
476	100	27,525	55,050	35,782.50	13,762.50			
				36,512.70				
		Will redeem.		36,432.00		276	44	28
				80.70				
477	100	27,582	55,164	35,856.60	13,791.00			
				35,937.30				
		Will redeem.		35,688.00		277	28	
				249.30		276	15	85
478	100	27,639	55,278	35,930.70	13,819.50			
				36,180.00				
		Will redeem.		35,733.00		277	43	42
				447.00				
479	100	27,695	55,390	36,003.50	13,847.50			
				36,450.50				
		Will redeem.		35,859.00		278	42	
				591.50		277	1	99
480	100	27,752	55,504	36,077.60	13,876.00			
				36,669.10				
		Will redeem.		35,862.00		278	43	56
				807.10				
	48,000				7,946,940.51		20,334	
Deduct commissions.....					2,640.00			
					7,944,300.51			
Add interest.....					471,798.09			
Carry forward.....	48,000	6,774,457	13,548,914	807.10	8,416,098.60		20,334	

454

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Balce.
Forward..	48,000	6,774,457	13,548,914	807.10	8,416,098.60		20,334	
481	100	27,809	55,618	36,151.70	13,904.50			
				36,958.80				
		Will redeem.		36,828.00	279	44	12	
				130.00 *				
482	100	27,866	55,732	36,225.80	13,933.00			
				36,355.80				
		Will redeem.		36,027.00		280	12	
				328.80		279	31	69
483	100	27,922	55,841	36,298.60	13,961.00			
				36,627.40				
		Will redeem.		36,120.00		280	43	28
				507.40				
484	100	27,979	55,958	36,372.70	13,989.50			
				36,880.10				
		Will redeem.		36,198.00		281	26	
				682.10		280	17	83
485	100	28,036	56,072	36,446.80	14,018.00			
				37,128.90				
		Will redeem.		36,249.00		281	43	40
				879.90				
486	100	28,093	56,186	36,520.90	14,046.50			
				37,400.80				
		Will redeem.		37,212.00		282	40	
				188.80		281	4	96
487	100	28,150	56,300	36,595.00	14,075.00			
				36,783.80				
		Will redeem.		36,378.00		282	43	53
				405.80				
488	100	28,206	56,412	36,667.80	14,103.00			
				37,073.60				
		Will redeem.		36,507.00		283	43	10
				567.60 *				
489	100	28,263	56,526	36,741.90	14,131.50			
				37,309.50				
		Will redeem.		37,284.00		284	10	
				25.50		283	31	66
490	100	28,320	56,640	36,816.00	14,160.00			
				36,841.50				
		Will redeem.		36,636.00		284	43	23
				205.50				
491	100	28,376	56,752	36,888.80	14,188.00			
				37,094.30				
		Will redeem.		36,705.00		285	23	
				389.30		284	20	80
492	100	28,433	56,866	36,962.90	14,216.50			
				37,352.20				
		Will redeem.		36,765.00		285	43	37
* Deduct for errors.....				587.20				
				.20				
	49,200				8,584,825.10		20,853	
Deduct commissions					2,640.00			
					8,582,185.10			
Add interest.....					509,848.50			
Carry forward.....	49,200	7,111,910	14,223,820	587.00	9,092,033.60		20,853	

[In pencil in copy :] Age goes back 41; 23 yrs. 8 mos.; 8,554 each.

455

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward..	49,200	7,111,910	14,223,820	587.00	9,092,033.60		20,853	
493	100	28,490	56,980	37,037.00	14,245.00			
				37,624.00				
		Will redeem.		36,876.00		286	37	
				748.00		285	6	94
494	100	28,547	57,094	37,111.10	14,273.50			
				37,859.10				
		Will redeem.		37,752.00		286	44	50
				107.10				
495	100	28,604	57,208	37,185.20	14,302.00			
				37,292.30				
		Will redeem.		37,023.00		287	43	7
				269.30				
496	100	28,660	57,320	37,258.00	14,330.00			
				37,527.30				
		Will redeem.		37,044.00		288	7	
				483.30		287	36	64
497	100	28,717	57,434	37,332.10	14,358.50			
				37,815.40				
		Will redeem.		37,152.00		288	43	21
				663.40				
498	100	28,774	57,548	37,406.20	14,387.00			
				38,069.60				
		Will redeem.		37,215.00		289	21	
				854.60		288	22	88
499	100	28,831	57,662	37,480.30	14,415.50			
				38,334.90				
		Will redeem.		38,148.00		289	44	44
				186.90				
500	100	28,888	57,776	37,554.40	14,444.00			
				37,741.30				
		Will redeem.		37,410.00		290	43	1
				331.30				
501	100	28,944	57,888	37,627.20	14,472.00			
				37,958.50				
		Will redeem.		37,413.00		291	1	
				545.50		290	42	58
502	100	29,001	58,002	37,701.30	14,500.50			
				38,246.80				
		Will redeem.		37,539.00		291	43	15
				707.80				
503	100	29,058	58,116	37,775.40	14,529.00			
				38,483.20				
		Will redeem.		37,584.00		292	15	
				899.20		291	28	72
504	100	29,115	58,230	37,849.50	14,557.50			
				38,748.70				
		Will redeem.		38,544.00		292	43	29
				204.70				
	50,400				9,264,848.10		21,371	
Deduct commissions.....					2,640.00			
					9,262,208.10			
Add interest.....					550,627.24			
Carry forward.....	50,400	7,457,539	14,915,078	204.70	9,812,835.34		21,371	

456

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Balce.
	Forward.. 50,400	7,457,539	14,915,078	204.70	9,812,835.34			
505	100	29,172	58,344	37,923.60	14,586.00		21,371	
				38,128.30				
		Will redeem.		37,755.00		283	29	
506	100	29,229	58,458	373.30		292	14	86
				37,997.70	14,614.50			
				38,371.00				
		Will redeem.		37,797.00		293	43	43
507	100	29,286	58,572	574.00				
				38,071.80	14,643.00			
				38,645.80				
		Will redeem.		37,926.00		294	43	
508	100	29,343	58,686	719.80				
				38,145.90	14,671.50			
				38,865.70				
		Will redeem.		38,808.00		294	44	86
509	100	29,400	58,800	57.70				
				38,229.00	14,700.00			
				38,277.70				
		Will redeem.		38,055.00		295	43	13
510	100	29,456	58,912	222.00				
				38,292.80	14,728.00			
				38,514.80				
		Will redeem.		38,094.00		296	13	
511	100	29,513	59,026	420.80		295	30	70
				38,366.90	14,756.50			
				38,787.70				
		Will redeem.		38,184.00		296	43	57
512	100	29,570	59,140	603.70				
				38,441.00	14,785.00			
				39,044.70				
		Will redeem.		38,289.00		297	37	
513	100	29,627	59,254	755.70		296	6	94
				38,515.10	14,813.50			
				39,270.80				
		Will redeem.		39,204.00		297	44	50
514	100	29,684	59,368	66.80				
				38,589.20	14,842.00			
				38,656.00				
		Will redeem.		38,442.00		298	43	7
515	100	29,740	59,480	214.00				
				38,692.00	14,870.00			
				38,876.00				
		Will redeem.		38,463.00		299	7	
516	100	29,797	59,594	413.00		298	36	64
				38,736.10	14,898.50			
				39,149.10				
		Will redeem.		38,571.00		299	43	21
*Add for error				578.10				
				.70				
	51,600				9,989,743.84		21,889	
Deduct commissions					2,640.00			
					9,987,103.84			
Add interest					593,998.17			
Carry forward	51,600	7,811,356	15,622,712	578.80	10,581,102.01		21,889	

456½ Month.		Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
	Forward..	51,600	7,811,356	15,622,712	578.80	10,581,102.01	21	889	
517		100	29,854	59,708	38,810.20	14,927.00			
					39,389.00				
			Will redeem.		38,634.00		300	21	
					705.00*		299	22	88
518		100	29,911	59,822	38,884.30	14,955.50			
					39,589.30				
			Will redeem.		38,700 00		300	43	45
					889.30				
519		100	29,968	59,936	38,958.40	14,984.00			
					39,847.70				
			Will redeem.		39,732.00		301	44	1
					115.70				
520		100	30,025	60,050	39,032.50	15,012.50			
					39,148.20				
			Will redeem.		38,832.00		302	1	
					316.20		301	42	58
521		100	30,081	60,162	39,105.30	15,040.50			
					39,421.50				
			Will redeem.		38,958.00		302	43	15
					463.50				
522		100	30,138	60,276	39,179.40	15,069.00			
					39,642.90				
			Will redeem.		39,003.00		303	15	
					639.90		302	28	72
523		100	30,195	60,390	39,253.50	15,097.50			
					39,893.40				
			Will redeem.		39,087.00		303	43	29
					806.40				
524		100	30,252	60,504	39,327.60	15,126.00			
					40,134.00				
			Will redeem.		40,083.00		304	29	
					51.00		303	15	85
525		100	30,309	60,618	39,401.70	15,154.50			
					39,452.70				
			Will redeem.		39,216.00		304	43	42
					236.70				
526		100	30,365	60,730	39,474.50	15,182.50			
					39,711.20				
			Will redeem.		39,342.00		305	42	
					369.20		304	1	99
527		100	30,422	60,844	39,548.00	15,211.00			
					39,917.80				
			Will redeem.		39,345.00		305	43	56
					572.80				
528		100	30,479	60,958	39,622.70	15,239.50			
					40,195.50				
			Will redeem.		39,474.00		306	43	13
					721.50				
*Add for error					50.00				
		52,800				10,762,101.51		22,407	
Deduct commissions						2,640.00			
						10,759,461.51			
Add interest						640,216.90			
Carry forward		52,800	8,173,355	16,346,710	771.50	11,399,678.41		22,407	

457

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Balce.
Forward..	52,800	8,173,355	16,346,710	771.50	11,399,678.41		22,407	
529	100	30,536	61,072	39,696.80	15,268.00			
				40,468.30				
		Will redeem.		40,431.00		307	13	
530	100	30,593	61,186	37.30		306	31	69
				39,770.90	15,296.50			
				39,808.20				
		Will redeem.		39,603.00		307	43	26
531	100	30,649	61,298	205 20				
				39,843.70	15,324.50			
				40,048.90				
		Will redeem.		39,681.00		308	26	
532	100	30,706	61,412	367.90		307	17	83
				39,917.80	15,353.00			
				40,285.70				
		Will redeem.		39,732.00		308	45	40
533	100	30,763	61,526	553.70				
				39,991.90	15,381.50			
				40,545.60				
		Will redeem.		39,842.00*		309	40	
534	100	30,820	61,640	703.60		308	3	97
				40,066.00	15,410.00			
				40,769.60				
		Will redeem.		39,861.00		309	43	54
535	100	30,877	61,754	908.60				
				40,140.10	15,438.50			
				41,048.70				
		Will redeem.		40,920.00		310	44	10
536	100	30,934	61,868	128.70				
				40,214.20	15,467.00			
				40,342.90				
		Will redeem.		40,020.00		311	10	
537	100	30,991	61,982	322.90		310	33	67
				40,288.30	15,495.50			
				40,611.20				
		Will redeem.		40,119.00		311	43	24
538	100	31,047	62,094	492.20				
				40,361.10	15,523.50			
				40,853.30				
		Will redeem.		40,191.00		312	24	
539	100	31,104	62,208	662.30		311	19	81
				40,435.20	15,552.00			
				41,097.60*				
		Will redeem.		40,248.00		312	43	38
540	100	31,161	62,322	849.60				
				40,509.30	15,580.50			
				41,358.90				
		Will redeem.		41,298.00		313	38	
* Deduct for errors				60.90		312	6	94
				1.10				
	54,000				11,584,768.91		22,926	
Deduct commissions					2,640.00			
					11,582,128.91			
Add interest					689,454.21			
Carry forward..	54,000	8,543,536	17,087,072	59.80	12,271,583.12		22,926	

458

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward..	54,000	8,543,536	17,087,072	59.80	12,271,583.12		22,926	
541	100	31,218	62,436	40,583.40	15,669.00			
				40,643.20				
		Will redeem.		40,377.00		313	43	51
				266.20				
542	100	31,274	62,548	40,656.20	15,637.00			
				40,922.40				
		Will redeem.		40,506.00		314	43	8
				416.40				
543	100	31,331	62,662	40,730.30	15,665.50			
				41,146.70				
		Will redeem.		40,530.00		315	8	
				616.70		314	35	65
544	100	31,388	62,776	40,804.40	15,694.00			
				41,421.10				
		Will redeem.		40,635.00		315	43	22
				786.10				
545	100	31,445	62,890	40,878.50	15,722.50			
				41,664.60				
		Will redeem.		40,701.00		316	22	
				963.60		315	21	79
546	100	31,502	63,004	40,952.60	15,751.00			
				41,916.20				
		Will redeem.		41,712.00		316	44	35
				204.20				
547	100	31,559	63,118	41,026.70	15,779.50			
				41,230.90				
		Will redeem.		40,869.00		317	35	
				361.90		316	8	92
548	100	31,615	63,230	41,099.50	15,807.50			
				41,461.40				
		Will redeem.		40,893.00		317	43	49
				568.40				
549	100	31,672	63,344	41,173.60	15,836.00			
				41,742.00				
		Will redeem.		41,022.00		318	43	6
				720.00				
550	100	31,729	63,458	41,247.70	15,864.50			
				41,967.70				
		Will redeem.		41,040.00		319	6	
				927.70		318	37	63
551	100	31,786	63,572	41,321.80	15,893.00			
				42,249.50				
		Will redeem.		42,108.00		319	44	19
				141.50				
552	100	31,843	63,686	41,395.90	15,921.50			
				41,537.40				
		Will redeem.		41,208.00		320	19	
				229.40		319	24	76
	55,200				12,460,764.12		23,444	
Deduct commissions					2,640.00			
					12,458,124.12			
Add interest					741,891.22			
Carry forward	55,200	8,921,898	17,843,796	229.40	13,200,015.34		23,444	

459

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Balce.
Forward..	55,200	8,921,898	17,843,796	229.40	13,200,015.34*		23,444	
553	100	31,999	63,796	41,468.70	15,949.50			
				41,698.10				
		Will redeem.		41,280.00		320	43	31
554	100	13,956	63,912	418.10				
				41,542.80	15,978.00			
				41,960.90				
		Will redeem.		41,379.00		321	33	
555	100	32,013	64,026	581.90		720	10	90
				41,616.90	16,006.50			
				42,208.80				
		Will redeem.		41,409.00		321	43	67
556	100	32,070	64,140	799.80				
				41,691.00	16,035.00			
				42,490.80				
		Will redeem.		41,538.00		322	43	4
557	100	32,127	64,254	952.80				
				41,765.10	16,063.50			
				42,717.90				
		Will redeem.		42,516.00		323	4	
558	100	32,184	64,368	201.90		322	40	90
				41,839.20	16,092.00			
				42,041.10				
		Will redeem.		41,667.00		323	43	17
559	100	32,240	64,480	374.10				
				41,912.00	16,120.00			
				42,286.10				
		Will redeem.		41,718.00		324	17	
560	100	32,297	64,594	568.10		323	26	70
				41,986.10	16,148.50			
				42,554.20				
		Will redeem.		41,796.00		324	43	31
561	100	32,354	64,708	758.20				
				42,060.20	16,177.00			
				42,818.40				
		Will redeem.		41,889.00		325	31	
562	100	32,411	64,822	929.40		324	12	88
				42,134.30	16,205.50			
				43,063.70				
		Will redeem.		42,980.00		325	44	44
563	100	32,468	64,936	163.70				
				42,398.40	16,234.00			
				42,372.10				
		Will redeem.		42,054.00		326	43	1
564	100	32,524	65,049	318.10				
				42,281.20	16,262.00			
				42,599.30				
		Will redeem.		42,057.00		327	1	
* Add for error made on previous page.....				542.30		326	42	56
	56,400			100.00				
Deduct commissions.....					13,393,286.84		23,962	
					2,640.00			
Add interest.....					13,390,646.84			
					797,719.86			
Carry forward.....	56,400	9,308,441	18,616,882	642.30	14,188,366.70		23,962	

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward..	56,400	9,308,441	18,616,882	642.30	14,188,366.70		23,962	
565	100	32,581	65,162	42,355.30	16,290.50			
				42,997.60				
		Will redeem.		42,183.00		327	43	15
				814.60				
566	100	32,638	65,276	42,429.40	16,319.00			
				43,244.00				
		Will redeem.		43,209.00		328	15	
				35.00		327	29	71
567	100	32,695	65,390	42,503.50	16,347.50			
				42,538.50				
		Will redeem.		42,312.00		328	43	28
				226.50				
568	100	32,751	65,502	42,576.30	16,375.50			
				42,802.80				
		Will redeem.		42,396.00		329	28	
				406.80		328	15	85
569	100	32,808	65,616	42,650.40	16,404.00			
				43,057.20				
		Will redeem.		42,441.00		329	43	42
				616.20				
570	100	32,865	65,730	42,724.50	16,432.50			
				43,340.70				
		Will redeem.		42,567.00		330	42	
				773.70		329	1	99
571	100	32,922	65,844	42,798.60	16,461.00			
				43,572.30				
		Will redeem.		43,560.00		330	44	55
				12.30				
572	100	32,979	65,958	42,872.70	16,489.50			
				42,885.00				
		Will redeem.		42,699.00		331	43	12
				186.00				
573	100	33,035	66,070	42,945.50	16,517.50			
				43,031.50*				
		Will redeem.		42,735.00		332	12	
				296.50		331	31	69
574	100	33,092	66,184	43,019.60	16,546.00			
				43,316.10				
		Will redeem.		42,828.00		332	43	26
				478.10				
575	100	33,149	66,298	43,093.70	16,574.50			
				43,571.80				
		Will redeem.		42,906.00		333	26	
				665.80		332	17	83
576	100	33,206	66,412	43,167.80	16,603.00			
				43,833.60				
		Will redeem.		42,957.00		333	43	40
				876.60				
*Add for error				100.00				
	57,600				14,385,727.20		24,480	
Deduct commissions					2,640.00			
					14,383,087.20			
Add interest					857,143.61			
Carry forward	57,600	9,703,162	19,406,324	976.60	15,240,230.81		24,480	

461

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
577 Forward..	57,600	9,703,162	19,406,324	976.60	15,240,230.81		24,480	
	100	33,263	66,526	43,241.90	16,631.50			
				44,218.50				
	Will redeem.			44,076.00		334	40	
578	100	33,320	66,640	142.50		333	4	96
				43,316.00	16,660.00			
	Will redeem.			43,458.50				
				43,086.00		334	43	53
579	100	33,376	66,752	372.50				
				43,388.80	16,688.00			
	Will redeem.			43,761.30				
				43,215.00		335	43	10
580	100	33,433	66,866	546.30				
				43,462.50	16,716.50			
	Will redeem.			44,009.20				
				43,245.00		336	10	
581	100	33,490	66,980	764.20		335	33	67
				43,537.00	16,745.00			
	Will redeem.			44,301.20				
				43,344.00		336	43	24
582	100	33,547	67,094	957.20				
				43,611.10	16,773.50			
	Will redeem.			44,568.30				
				44,424.00		337	24	
583	100	33,604	67,208	144.30		336	20	80
				43,685.20	16,802.00			
	Will redeem.			43,829.50				
				43,473.00		337	43	37
584	100	33,660	67,320	356.50				
				43,758.00	16,830.00			
	Will redeem.			44,114.50				
				43,584.00		338	37	
585	100	33,717	67,434	530.50		337	6	94
				43,832.10	16,858.50			
	Will redeem.			44,362.60				
				43,602.00		338	43	51
586	100	33,774	67,548	760.60				
				43,906.20	16,887.00			
	Will redeem.			44,666.80				
				43,731.00		339	43	8
587	100	33,831	67,662	935.80				
				43,980.30	16,915.50			
	Will redeem.			44,916.10				
				44,772.00		340	8	
588	100	33,888	67,776	144.10		339	36	64
				44,054.40	16,944.00			
	Will redeem.			44,198.50				
				43,860.00		340	43	21
				338.50				
	58,800				15,441,682.31		24,999	
Deduct commissions					2,640.00			
					15,439,042.31			
Add interest					920,378.19			
Carry forward.....	58,800	10,106,065	20,212,130	338.50	16,359,420.50		24,999	

462 Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward.	58,800	10,106,065	20,212,130	338.50	16,559,420.50		24,999	
589	100	34,044	67,888	44,127.20	16,972.00			
				44,465.70				
		Will redeem.		43,923.00		341	21	
				542.70		340	22	78
590	100	34,001	68,002	44,201.30	17,000.50			
				44,744.00				
		Will redeem.		43,989.00		341	43	35
				755.00				
591	100	34,058	68,116	44,275.40	17,029.00			
				45,030.40				
		Will redeem.		44,094.00		342	35	
				936.40		341	8	92
592	100	34,115	68,230	44,349.50	17,057.50			
				45,286.90*				
		Will redeem.		45,144.00		342	44	48
				142.90				
593	100	34,172	68,344	44,423.60	17,086.00			
				44,566.50				
		Will redeem.		44,247.00		343	43	5
				319.50				
594	100	34,228	68,456	44,496.40	17,114.00			
				44,815.90				
		Will redeem.		44,262.00		344	5	
				553.90		343	38	62
595	100	34,285	68,570	44,570.50	17,142.50			
				45,124.40				
		Will redeem.		44,376.00		344	43	19
				748.40				
596	100	34,342	68,684	44,644.60	17,171.00			
				45,393.00				
		Will redeem.		44,433.00		345	19	
				960.00		344	34	76
597	100	34,399	68,798	44,718.70	17,199.50			
				45,678.70				
		Will redeem.		45,540.00		345	44	32
				138.70				
598	100	34,456	68,912	44,792.80	17,228.00			
				44,931.50				
		Will redeem.		44,601.00		346	32	
				330.50		345	11	89
599	100	34,512	69,024	44,865.60	17,256.00			
				45,196.10				
		Will redeem.		44,634.00		346	43	46
				562.10				
600	100	34,569	69,138	44,939.70	17,284.50			
				45,501.80				
		Will redeem.		44,763.00		347	43	3
				738.80				
* Deduct for error				1.00				
	60,000	10,517,146	21,034,293	737.80	16,564,961.00		25,517	
Deduct commissions					2,640.00			
					16,562,321.00			
Add interest					987,652.24			
Carry forward	60,000	10,517,146	21,034,293	737.80	17,549,973.24		25,517	

463

Month.	Sales.	In force.	Dues.	Redemption fund.	Reserve fund.	Debentures redeemed. Age.	No.	Bal'ce.
Forward..	60,000	10,517,146	21,034,293	737.80	17,540,973.24		25,517	
601	100	34,626	69,252	45,013.80	17,313.00			
				45,751.60				
		Will redeem.		44,772.00		348	3	
602	100	34,683	69,366	978.60*		347	40	6
				45,087.90	17,341.50			
				46,066.50				
		Will redeem.		45,936.00		348	44	16
603	100	34,740	69,480	130.50				
				45,162.00	17,370.00			
				45,292.50				
		Will redeem.		44,940.00		349	16	
604	100	34,796	69,592	352.50		348	27	73
				45,234.80	17,398.00			
				45,587.30				
		Will redeem.		45,021.00		349	43	30
605	100	34,853	69,706	566.30				
				45,308.90	17,426.50			
				45,875.20				
		Will redeem.		45,111.00		350	30	
606	100	34,910	69,820	764.20		349	12	87
				45,383.00	17,455.00			
				46,147.20				
		Will redeem.		45,150.00		350	43	44
607	100	34,967	69,934	997.20				
				45,457.10	17,483.50			
				46,454.30				
		Will redeem.		46,332.00		351	44	
608	100	35,024	70,048	122.30				
				45,531.20	17,512.00			
				45,653.50				
		Will redeem.		45,279.00		351	43	57
609	100	35,080	70,160	374.50				
				45,604.00	17,540.00			
				45,978.50				
		Will redeem.		45,408.00		352	43	14
610	100	35,137	70,274	570.00*				
				45,678.10	17,568.50			
				46,248.10				
		Will redeem.		45,450.00		353	14	
611	100	35,194	70,388	798.10		352	29	71
				45,752.20	17,597.00			
				46,540.30*				
		Will redeem.		45,537.00		353	43	28
612	100	35,251	70,502	1,003.30				
				45,826.30	17,625.50			
*Add for errors				46,829.60				
				11.50				
				46,841.10				
	61,200	10,936,407	21,872,814	46,841.10	17,759,603.74		25,992	
Deduct commissions					2,640.00			
					17,756,963.74			
Add interest					1,059,208.10			
	61,200	10,936,407	21,872,814	46,841	18,816,171.84		25,992	

464 *What the Figures Show.*

1. That within a reasonable time the accumulations of the reserve fund at compound interest alone will actually earn the 50 % profit on every dollar paid in without any lapses or surrenders.

2. That, leaving off the guaranteed period, every debenture will in course of time pay itself out at a profit of 50 % from the earnings of compound interest without any lapses or surrenders.

3. That the difference between the age of debentures purchased in the same month, when they come to be redeemed, cannot exceed two months at the most.

4. That, on the footing of steady sales, 43 % of the debentures will be paid off by redemption straight along without lapses or surrenders.

5. That every debenture issued during the first four years will be redeemed within the guaranteed time without lapses, surrenders, or increase of business.

6. That, on the footing of 2 % a month of lapses and surrenders, a single issue will pay itself out in six years.

Statistics Show.

1. Only 42 % of the debentures issued will be carried to redemption or maturity.

Our Own Experience Shows.

1. That we have already 33⅓ % of lapses and surrenders.

3. That we have a profit of 10 % from lapses and surrenders on the amount paid in.

Inferences.

1. That we can continue to pay out debentures in the ordinary course of monthly redemptions for an indefinitely long time before the six-year period is reached.

465 2. That the difference between the advantage gained by investors who go in within a few months of one another is so slight as to cut no figure in the case.

3. That a very slight percentage of lapses is necessary to secure success.

4. That there is no motive arising from the plan of operations of the business itself to induce an investor to lapse.

5. That with the capital stock, interest, and profit from lapses and surrenders there is no proof that at any time during the history of the company there will be any deficit at all.

6. That there will be no call made on the reserve fund until, with the accumulation of compound interest, it has actually earned the 50 % profit.

Abstract Showing Progress of the Business from Year to Year.

Year.	Profit p'd to holders.	Com'n.	10%.	Total.	Interest earnings.	Loss.	Gain.	Deficit.	Surplus.	Amount p'd by O/S deb's.	Reserve fund.
1	2,042	2,640	1,446.40	6,128.40	105.00	6,023.40	.....	6,023.40	.....	10,380	4,356.60
2	6,952	2,640	3,354.60	12,946.60	354.25	12,592.35	.....	18,615.75	.....	30,022	11,406.25
3	10,631	2,640	5,052.00	18,323.00	847.71	17,475.29	.....	36,091.04	.....	59,280	23,188.96
4	14,277	2,640	6,729.60	23,646.60	1,702.86	21,943.74	.....	58,034.78	.....	98,022	39,987.22
5	17,881	2,640	8,396.40	28,917.40	2,700.67	26,216.73	.....	84,251.51	.....	146,224	61,972.49
6	21,516	2,640	10,056.80	34,212.80	4,089.54	30,123.26	.....	114,374.77	.....	203,760	89,385.23
7	25,037	2,640	11,713.00	39,390.00	5,809.24	33,580.76	.....	147,955.53	.....	270,816	122,860.47
8	28,707	2,640	13,365.60	44,712.60	7,880.29	36,832.31	.....	184,787.84	.....	374,058	162,270.16
9	32,182	2,640	15,015.40	49,837.40	10,323.28	39,514.12	.....	224,301.96	.....	432,848	208,546.04
10	35,828	2,640	16,663.80	55,131.80	13,160.21	41,971.59	.....	266,273.55	.....	527,830	261,556.45
11	39,367	2,640	18,310.40	60,317.40	16,414.50	43,902.90	.....	310,176.45	.....	632,200	322,023.55
12	42,964	2,640	19,956.00	65,560.00	20,110.95	45,449.05	.....	355,625.50	.....	745,832	390,206.50
13	46,492	2,640	21,600.40	70,732.40	24,275.94	46,456.46	.....	402,081.96	.....	868,852	466,770.04
14	50,087	2,640	23,242.80	75,969.80	28,937.23	47,032.57	.....	449,114.53	.....	1,001,106	551,991.47
15	53,551	2,640	24,886.20	81,077.20	34,124.83	46,952.37	.....	496,066.90	.....	1,142,866	646,799.10
16	57,179	2,640	26,528.40	86,347.40	39,870.03	46,477.37	.....	542,544.27	.....	1,293,792	751,247.73
17	60,718	2,640	28,170.00	91,528.00	46,206.21	45,321.79	.....	587,866.06	.....	1,454,056	866,189.94
18	64,360	2,640	29,809.80	96,809.80	53,168.67	43,641.13	.....	631,507.19	.....	1,623,434	991,926.81
19	67,761	2,640	31,450.80	101,851.80	60,794.93	41,056.87	.....	672,564.06	.....	1,802,420	1,129,855.94
20 ..	71,424	2,640	33,090.40	107,154.40	69,124.81	38,029.59	.....	710,593.65	.....	1,990,476	1,279,882.35
21	74,961	2,640	34,730.20	112,331.20	78,200.45	34,130.75	.....	744,724.40	.....	2,187,856	1,443,131.60
22	78,495	2,640	36,369.40	117,504.40	88,066.55	29,437.85	.....	774,162.25	.....	2,394,560	1,620,397.75
23	82,029	2,640	38,008.60	122,677.60	98,770.49	23,907.11	.....	798,069.36	.....	2,610,588	1,812,518.64
24	85,719	2,640	39,647.40	128,006.40	110,362.52	17,643.88	.....	815,713.24	.....	2,835,624	2,019,910.76
25	89,078	2,640	41,285.20	133,033.20	122,895.82	10,107.38	.....	825,820.62	.....	3,070,320	2,244,499.38
26	92,609	2,640	42,923.80	138,172.80	136,426.84	1,745.96	.....	827,566 58	.....	3,314,340	*2,486,773.42
27	96,323	2,640	44,563.60	143,526.60	151,015.60	.....	7,489.00	820,077.58	.....	3,567,330	2,747,252.42
28	99,864	2,640	46,223.00	148,727.00	166,826.13	.....	18,099.13	801,978.45	.....	3,829,832	3,027,853.55
29	103,401	2,640	47,859.60	153,960.60	183,635.50	.....	29,734.90	772,243.55	.....	4,101,626	3,329,382.45

30	106,918	2,640	49,496.40	159,054.40	201,875.13	.....	42,741.53	729,502.02	.....	4,382,754	3,653,251.98
31	110,451	2,640	51,132.80	164,223.80	221,292.48	.....	51,068.68	672,433.34	.....	4,673,180	4,000,746.66
32	114,208	2,640	52,769.20	169,617.20	242,204.27	.....	72,587.07	599,846.27	.....	4,972,456	4,372,609.73
33	117,486	2,640	54,405.20	174,531.20	264,615.21	.....	90,084.01	509,762.26	.....	5,281,536	4,771,773.74
34	120,996	2,640	56,041.20	179,677.20	288,618.21	.....	108,941.01	400,821.25	.....	5,599,956	5,167,653.15
35	124,824	2,640	57,676.80	185,137.80	314,406.74	.....	129,268.94	271,552.31	.....	5,927,082	5,655,529.69
36	128,106	2,640	59,312.60	190,058.60	341,785.95	.....	151,727.35	119,824.96	.....	6,263,996	†6,144,171.04
37	131,895	2,640	60,948.60	195,483.60	371,154.29	.....	175,670.69	.....	55,845.73	6,609,692	6,665,537.73
38	135,175	2,640	62,584.20	200,399.20	402,609.31	.....	202,210.11	.....	258,055.84	6,965,184	‡7,223,239.84
39	138,995	2,640	64,219.60	205,854.60	436,038.57	.....	230,183.97	.....	488,239.81	7,329,390	7,817,629.81
40	142,239	2,640	65,855.20	210,734.20	471,798.09	.....	261,063.89	.....	749,303.70	7,703,464	§8,452,767.70
41	146,002	2,640	67,490.60	216,132.60	509,848.50	.....	293,715.90	.....	1,043,019.60	8,086,366	9,129,385.60
42	149,307	2,640	69,125.80	221,072.80	550,627.24	.....	329,554.44	.....	1,372,574.04	8,479,010	‖9,851,584.04
43	153,187	2,640	70,763.40	226,590.40	593,998.17	.....	367,407.77	.....	1,739,981.81	8,880,270	10,620,251.81
44	156,501	2,640	72,399.80	231,540.80	640,216.90	.....	408,676.10	.....	2,148,657.91	9,291,266	11,439,873.91
45	160,041	2,640	74,036.20	236,717.20	689,454.21	.....	452,737.01	.....	2,601,394.92	9,711,546	12,312,941.92
46	163,897	2,640	75,672.40	242,209.40	741,891.22	.....	499,681.82	.....	3,101,076.74	10,140,476	13,241,552.74
47	167,118	2,640	77,308.60	247,066.60	797,719.86	.....	550,653.26	.....	3,651,730.00	10,579,326	14,231,056.00
48	170,631	2,640	78,944.20	252,215.20	857,143.61	.....	604,928.41	.....	4,256,658.41	11,027,506	15,284,064.41
49	174,503	2,640	80,580.60	257,723.60	920,378.19	.....	662,654.59	.....	4,919,313.00	11,484,306	16,359,420.50
50	177,701	2,640	82,216.20	262,557.20	987,652.24	.....	725,095.04	.....	5,644,408.04	11,951,066	17,595,474.04
51	181,233	2,640	83,852.20	267,725.20	1,059,208.10	.....	791,482.90	.....	6,435,890.94	12,427,122	18,863,012.94
52	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

* 26 years. † 9 years. ‡ 35th. § Int. ‖ Int.

(Signed) J. P. WILLIAMS,
Sec't'y N. O. Debenture Redemption Co., 627 Gravier St., N. O., La.

[In pencil in copy:] 61000. 122,000. 488,000. Ex. 10.

[Endorsed:] No. 56658. Civil dist. court. State of Louisiana *v.* N. O. Debenture Redemption Co., Ltd. D 3. Offered in evidence by def'd't. Filed Feb'y 7th, 1899. (Signed) Joe Garidel, d'y clerk.

1345

Year.	Profit p'd deb's.	10 %.	Total.	Interest earnings.	Net loss.	Gain.	Deficit.	Surplus.	P'd by O. S debentures.	Reserve fund.
1	2,042	1,446	3,488	184	3,304	.....	3,304	.....	10,380	6,996
2	6,952	3,354	10,306	596	9,710	.....	13,014	.....	30,022	17,007
3	10,631	5,052	15,683	1,263	14,420	.....	27,434	.....	59,280	31,746
4	14,277	6,730	21,007	2,295	18,712	.....	46,146	.....	98,022	51,876
5	17,881	8,396	26,277	3,493	22,784	.....	68,930	.....	146,224	77,293
6	21,516	10,056	31,572	5,088	26,484	.....	95,414	.....	203,760	108,344
7	25,037	11,713	36,750	7,134	29,616	.....	125,030	.....	270,816	145,784
8	28,707	13,365	42,073	9,335	32,738	.....	157,688	.....	374,058	189,289
9	32,182	15,015	47,197	12,022	35,175	.....	192,943	.....	432,848	239,904
10	35,828	16,663	52,491	15,221	37,370	.....	230,313	.....	527,830	297,515
11	39,367	18,310	57,677	18,651	39,026	.....	269,329	.....	632,200	322,023
12	42,964	19,956	62,920	22,640	40,280	.....	309,619	.....	745,832	436,211
13	46,492	21,600	68,092	27,116	40,976	.....	350,595	.....	868,852	518,256
14	50,087	23,243	73,330	32,105	41,225	.....	391,820	.....	1,001,106	609,283
15	53,551	24,886	78,437	37,642	40,795	.....	432,615	.....	1,142,866	710,248
16	57,169	26,528	83,697	43,756	39,941	.....	472,556	.....	1,293,792	821,223
17	60,718	28,170	88,888	50,484	38,404	.....	510,960	.....	1,454,056	943,082
18	64,360	29,810	94,170	57,862	36,308	.....	547,268	.....	1,623,434	1,076,153
19	67,761	31,451	99,212	65,928	33,284	.....	580,552	.....	1,802,420	1,221,655
20	71,424	33,090	104,514	74,723	29,791	.....	610,343	.....	1,990,476	1,380,120
21	74,961	34,730	109,691	84,292	25,399	.....	635,752	.....	2,187,856	1,552,100
22	78,495	*36,369	114,864	94,636	20,178	.....	655,920	.....	2,394,560	1,738,627
23	82,029	38,009	120,038	105,942	14,096	.....	670,016	.....	2,610,588	1,940,559
24	85,719	39,647	125,366	118,122	7,244	.....	677,260	.....	2,835,624	2,159,350
25	89,078	41,285	130,363	131,281	.....	918	676,342	.....	3,070,320	2,393,964
26	92,609	42,924	135,534	145,476	.....	9,942	666,400	.....	3,314,340	2,647,927
27	96,323	44,564	140,887	160,767	.....	19,880	646,520	.....	3,567,330	2,920,797
28	99,864	46,223	146,087	177,321	.....	31,234	615,286	.....	3,829,832	3,214,532
29	103,401	47,860	151,261	194,916	.....	43,655	571,631	.....	4,101,626	3,529,983
30	106,918	49,496	156,414	213,990	.....	57,576	514,055	.....	4,382,754	3,868,608
31	110,451	51,133	161,584	234,295	.....	72,711	441,344	.....	4,673,180	4,231,737
32	114,208	52,769	166,977	256,143	.....	89,166	352,176	.....	4,972,456	4,620,287

33	177,486	54,405	171,891	279,556	.....	107,665	244,513	.....	5,281,536	5,037,033
34	120,996	56,041	177,037	304,615	.....	127,578	116,935	.....	5,599,956	5,451,549
35	124,821	57,676	182,497	331,520	.....	149,023	.....	3,288	5,927,082	5,959,179
36	128,106	59,313	187,419	360,087	.....	172,668	.....	204,756	6,263,996	6,468,761
37	131,895	60,948	192,843	390,709	.....	197,866	.....	402,622	6,609,692	7,012,323
38	135,175	62,584	197,759	423,496	.....	225,737	.....	628,359	6,965,184	7,593,552
39	138,995	64,220	203,215	458,336	.....	255,121	.....	883,480	7,329,390	8,212,379
40	142,239	65,855	208,094	495,595	.....	287,501	.....	1,170,981	7,703,464	8,874,454
41	146,002	67,490	213,492	535,530	.....	321,738	.....	1,492,719	8,086,366	9,579,093
42	149,307	69,126	218,433	577,688	.....	359,255	.....	1,851,974	8,479,010	10,330,992
43	153,187	70,763	223,950	623,841	.....	399,891	.....	2,251,865	8,880,270	11,132,142
44	156,501	72,400	228,901	671,010	.....	442,109	.....	2,693,974	9,291,266	11,985,198
45	160,041	74,036	234,077	723,257	.....	489,180	.....	3,183,154	9,711,546	12,894,709
46	163,897	75,672	239,569	776,878	.....	537,309	.....	3,720,463	10,140,476	13,860,974
47	167,118	77,309	244,427	834,963	.....	590,536	.....	4,310,999	10,579,326	14,890,333
48	170,631	78,944	249,575	896,781	.....	647,206	.....	4,958,205	11,027,506	15,985,618
49	174,503	80,580	255,083	962,546	.....	707,463	.....	5,665,668	11,484,306	17,105,782
50	177,701	82,216	259,917	1,032,509	.....	772,592	.....	6,438,260	11,951,066	18,389,333
51	181,333	83,852	265,085	1,106,915	.....	841,830	.....	7,280,090	12,407,122	19,707,219

*2,185,636. Total prem., 21,856,360.

[Endorsed:] No. 50658. Civil district court. State of Louisiana *v.* N. O. Debenture Redemption Co., Ltd. Offered in evidence by def'd't. Filed Feb'y 7th, 1899. (Signed) Joe Garidel, d'y cl'k. D 4.

[* In pencil in copy.]

15346

D 6 & 5.*

Calculation Showing Liquidation with a Lapse Ratio of 2%, but No New Business.

Civil District Court.

STATE OF LOUISIANA
v.
N. O. DEBENTURE CO., LTD. } No. 56658.

Offered in evidence by def'd't. Filed February 7th, 1899. (Sg.) Joe Garidel, d'y cl'k.

Civil district court. 30.* Mar. 15, 1899. Paid. Paul O. Guerin, clerk.

Civil District Court.

STATE OF LOUISIANA
v.
N. O. DEBENTURE REDEMPTION CO., LTD. } No. 56658.

Offered in evidence by defendant. Filed February 7th, 1899. (Sg.) Joe Garidel, d'y cl'k.

Civil district court. 30.* Feb'y 8, 1899. Paid. Paul O. Guerin, clerk.

	Cfs.	No. lapsed.	In force.	Dues.	65 %.	35 %.	Interest.	B'l'ce, 65 %.	P'd by O. S. deb.	Total assets.	No. redeemed.	P'd red.	P'd surrendered.
'99.													
Jan'y..	19	.....	11,009	.....	.....	283,000 00	.....	.....	4,196 28	% 67 54			
Feb'y..	20	221	10,788	21,576	14,024 40	7,551 60	.....	45 40	4,250 00	.....	163	97 80	4,199 00
Mar....	21	213	10,412	20,824	13,535 60	7,288 40	.....	60	4,311 30	.....	147	92 61	4,260
Apr....	22	205	10,060	20,120	13,078	7,042	.....	55	4,367 88	.....	133	87 78	4,305
May...	23	198	9,729	19,458	12,547 70	6,910 30	.....	35 70	4,420 60	.....	119	82 11	4,356
June ..	24	192	9,418	18,836	12,243 40	6,592 60	....	15 10	4,468 32	.....	109	78 48	4,416
July...	25	186	9,123	18,246	11,860 30	6,385 70	.....	61 40	4,512 58	.....	98	73 50	4,464
Aug....	26	180	8,845	17,690	11,498 50	6,191 50	.....	39 90	4,552 70	.....	90	70 20	4,500
Sept..	27	175	8,580	17,160	11,154	6,006	.....	1 90	4,588 02	.....	82	66 42	4,550
Oct....	28	169	8,329	16,658	10,827 70	5,830 30	.....	50 60	4,622 80	.....	74	62 16	4,563

Nov....	29	165	8,090	16,180	10,517	5,663	22,640 00	31 60	4,652 76	.....	68	59 16	4,620
Dec....	30	160	7,862	15,724	10,220 60	5,503 40	2,838 57	32 20	4,680 00	% 88 98	62	55 80	4,640
		2,064	7,800	202,472	131,507 20	70,964 80	25,478 57	.. ...	.....	379,443 37	1,145	826 02	48,873
1900.													
Jan'y..	31	156	7,644	15,288	9,937 20	5,350 80	.....	81 40	4,704 56	.....	56	52 08	4,680
Feb'y..	32	152	7,436	14,872	9,666 80	5,205 20	.....	46 20	4,725 76	.....	52	49 92	4,710
M'ch..	33	147	7,237	14,474	9,408 10	5,065 90	... .	97 30	4,745 40	.....	47	46 53	4,704
Ap'l...	34	143	7,047	14,094	9,161 10	4,932 90	.....	51 40	4,762 04	.. ..	44	44 88	4,719
May...	35	140	6,863	13,726	8,921 90	4,804 10	.....	13 30	4,776 10	.....	40	42 00	4,760
June..	36	136	6,687	13,374	8,693 10	4,680 90	.....	58 40	4,788 72	.....	36	38 88	4,760
July...	37	132	6,519	13,038	8,474 70	4,563 30	.. ..	7 10	4,798 90	.....	34	37 74	4,752
Aug....	38	129	6,356	12,712	8,262 80	4,449 20	....	76 90	4,807 76	. .....	30	34 20	4,773
Sept...	39	126	6,200	12,400	8,060	4,340	2,235 30	72 90	4,814 16	....	28	32 76	4,788
Oct....	40	123	6,049	12,098	7,863 70	4,234 30	30,357 46	19 60	4,818 40	.....	26	31 20	4,797
Nov....	41	120	5,903	11,806	7,673 90	4,132 10	32,592 76	64 50	4,821 60	.....	23	28 29	4,800
Dec....	42	117	5,763	11,526	7,491 90	4,034 10	25,478 57	81 20	4,823 28	% 97 01	21	26 46	4,797
		1,501	5,742	159,408	103,615 20	55,792 80	58,071 33	.....	. .....	467,918 83	1,582	464 94	57,040
1901.													
Jan'y..	43	114	5,628	11,256	7,316 40	3,939 60	.....	61 80	4,822 88	.....	20	25 80	4,788
Feb'y..	44	112	5,496	10,992	7,143 30	3,848 70	.....	13 10	4,820 64	.....	18	23 76	4,816
Mar....	45	109	5,369	10,738	6,979 70	3,758 30	.....	36 80	4,817 70	.....	16	21 60	4,796
Ap'l...	46	106	5,247	10,494	6,821 10	3,672 90	.....	17 90	4,813 44	.....	15	20 70	4,770
May...	47	104	5,128	10,256	6,666 40	3,589 60	.....	67 30	4,809 10	.....	13	18 33	4,784
June..	48	102	5,013	10,026	6,516 90	3,509 10	.....	62 20	4,800 96	.. ..	12	17 28	4,794
July...	49	100	4,901	9,802	6,371 30	3,430 70	.....	16 50	4,792 20	.....	11	16 17	4,800
Aug....	50	97	4,793	9,586	6,230 90	3,355 10	....	144 40	4,784 00	.....	9	13 50	4,753
Sept...	51	95	4,689	9,378	6,095 70	3,282 30	1,672 52	113 10	4,773 60	....	9	13 77	4,750
Oct....	52	93	4,587	9,174	5,963 10	3,210 90	37,433 50	85 20	4,762 16	.....	8	12 48	4,743
Nov....	53	91	4,488	8,976	5,834 40	3,141 60	39,106 02	74 60	4,749 86	.....	7	11 13	4,732
Dec....	54	89	4,392	8,784	5,709 60	3,074 40	58,071 33	81 80	4,736 88	% 115 84	6	9 72	4,717
		1,124	..... 4,386*	119,462	77,648 80	41,813 20	97,177 35	.....	... .	548,838 05	1,726	204 24	57,143

[*In pencil in copy.]

15347

Mo.		No. lapsed.	In force.	Dues.	65 %.	35 %.	Interest.	B'l'ce.	P'd by O/S.	Total assets.	No. red.	P'd red.	P'd sur.
1902.											1,726		
Jan'y..	55	87	4,299	8,598	5,588 70	3,009 30	.....	147 50	4,723 40	.....	5	8 25	4,698
Feb'y..	56	85	4,209	8,418	5,471 70	2,946 30	.....	104 20	4,708 48	.....	5	8 40	4,675
Mar...	57	83	4,121	8,242	5,357 30	2,884 70	.....	130	4,693 38	....	4	6 84	4,648
Ap'l...	58	82	4,035	8,070	5,245 50	2,824 50	.....	5 50	4,675 96	.....	4	6 96	4,673
May...	59	80	3,951	7,902	5,136 30	2,765 70	.....	146 80	4,659 82	.....	2	3 54	4,640
June..	60	78	3,871	7,742	5,032 30	2,709 70	.....	37 10	4,641 60	.....	3	5 40	4,602
July...	61	76	3,792	7,584	4,929 60	2,654 40	.....	40 70	4,623 80	.....	2	3 66	4,560
Aug...	62	75	3,715	7,430	4,829 50	2,600 50	....	109 20	4,605 36	.....	1	1 86	4,575
Sept...	63	74	3,640	7,280	4,762	2,518	1,290 18	94 20	4,585 10	....	1	1 89	4,588
Oct....	64	72	3,567	7,134	4,637 10	2,496 90	43,907 04	3 30	4,564 48	.. ..	1	1 92	4,536
											1,754		
Nov...	65	71	3,495	6,990	4,543 50	2,446 50	45,197 22	2 80	4,543 50	.....	Lapsed sin.*	.....	4,544
Dec....	66	69	3,426	6,852	4,453 80	2,398 20	97,177 35	36 60	4,532 32	% 135 99	1* 65	.....	4,420
		902	.....	92,242	59,987 30	32,254 70	142,374 57	.....	.....	616,289 97	....	48 72	55,160
1903.													
Jan'y..	67	68	3,358	6,716	4,365 40	2,350 60	.....	47 00	4,499 72	.....	3* 198	4*	4,355
Feb'y.	68	67	3,291	6,582	4,278 30	2,303 70	....	40 30	4,475 76	... .	6* 402	.....	4,087
March.	69	65	3,226	6,452	4,193 80	2,258 20	677 71	24 10	4,451 88	.....	9* 612	3*	3,808
Apr...	70	64	3,162	6,324	4,110 60	2,213 40	36,977 39	3 70	4,426 80	% 150 46	13* 897	.....	3,519
May..	71	63	3,099	6,198	4,028 70	2,169 30	37,655 10	55 40	4,400 58	671,438 27	19* 1,330	.....	3,080
June..	72	.....	3,099	6,198	6,198	.....	....	.....	4,462 56	558,004 27	 519	1,121 04	
									2,231 28				
		327	... .	38,470	27,174 80	11,295 20	.....	.....	6,693 84	.....	....	.....	18,849
July...	...	.....	2,580	5,160	5,160	... .	....	... .	.....	451,708 27	516	1,114 56	
Aug...	...	.....	2,064	.....	4,128	.....	....	.....	.....	344,380 27	516	1,114 56	

| | | |

					Number debentures.	Amount paid in by them.	Cash surrender value.
Paid 1 monthly instalment,			61*	33	47	94 00	
" 2	"	104*	" 61*	26	126	504	
" 3	"		" 62*		149	894	
" 4	"		" 62*		53	424	
" 5	"		" 63*		24	240	
" 6	"		" 64*		25	300	
" 7	"		" 65*		105	1,470	735
" 8	"	368*	" 64*	23	233	3,728	1,864
" 9	"	540*	" 64*	30	215	3,870	1,935
" 10	"		" 64*		260	5,200	2,600
" 11	"	22*	" 64*	1	223	4,906	2,453
" 12	"	168*	" 64*	7	197	4,728	2,364
" 13	"	650*	" 65*	25	213	5,538	2,769
" 14	"	868*	" 64*	31	267	7,476	3,738
" 15	"	210*	" 63*	7	303	9,090	4,545
" 16	"	320*	" 62*	10	429	13,728	6,864
" 17	"	238*	" 59*	7	687	23,358	11,679
" 18	"	3,636*	" 57*	101	494	17,784	8,892
" 19	"	228*	" 54*	6	801	30,438	15,219
" 20	"	280*	" 49*	7	984	39,360	19,680
" 21	"	588*	" 46*	14	805	33,810	16,905
" 22	"	528*	" 41*	12	989	43,516	21,758
" 23	"	92*	" 40*	2	472	21,712	10,856
" 24	"	480*	" 36*	10	913	43,824	21,912
" 25	"		" 33*		624	31,200	15,600
" 26	"		" 29*		849	44,148	22,074
" 27	"		" 28*		522	28,188	24,594
" 28	"		"				
" 29	"		"				
" 30	"		"				
" 31	"		"				
" 32	"		"				
" 33	"		"				
" 34	"		"				
" 35	"		"				
" 36	"		"				
		9,330*					
Total.....				352	11,009	419,628	208,536

[* In pencil in copy.]

Total amount paid by debentures in force	
Total gross assets	283,000 00
Per cent. gross assets to gross liabilities	

Quick assets:

Cash on hand—ave. age, 13 mos.	
Loans on debentures, " am't each, 38	
Stocks and bonds, market value	
Pledge loans—maturing within 90 days	
R. E. loans—maturing within 90 days	

Percentage of quick assets to cash surrender values.....

D 7.

Calculation Showing Disposition of Business now on Books, with Mean Average for Past 4½ Years as Basis of New Business, but No Lapses.

Civil District Court.

STATE OF LOUISIANA
—
N. O. DEBENTURE REDEMPTION CO., LTD. } No. 56658.

Offered in evidence by def't. Filed February 7th, 1899. (Sg.) Joe Garidel, d'y cl'k.

Civil district court. 30.* Mar. 15, 1899. Paid. Paul O. Guerin, clerk.

Civil District Court.

STATE OF LOUISIANA
—
N. O. DEBENTURE REDEMPTION CO., LTD. } No. 56658.

Offered in evidence by defendant. Filed February 7th, 1899. (Sg.) Joe Garidel, d'y cl'k.

Civil district court. 30.* Feb. 8, 1899. Paid. Paul O. Guerin, clerk.

	In force.	Dues.	Red., 65.	25%.	10%.	Blce. red. surr.	No. sold.	No. deb. carried over.	Oldest in force. Age	No. paid.	P'd red. int.	Assets.
'99.												
Jan'y	11,009	22,018	14,311 70	5,504 50	2,201 80	55 70	500	346	28	176	14,256	283,000
Feb'y	11,433	22,866	14,862 90	5,716 50	2,286 60	50 60	500	169	29	177	14,868	
Mar.	11,756	23,512	15,282 80	5,878	2,351 20	42 40	500	812	29	169	14,703	
Apr.	12,080	24,160	15,704	6,040	2,416	86 40	500	662	30	7	588	
May	12,400	24,800	16,120	6,200	2,480	6 40	500	482	31	180	15,660	
June	12,720	25,440	16,536	6,360	2,544	81 40	500	305	32	180	16,200	
July	13,043	26,086	16,955 90	6,521 50	2,608 60	45 30	500	128	33	177	16,461	
Aug.	13,366	26,732	17,375 80	6,683	2,673 20	45 10	500	579	33	177	16,992	
Sept.	13,689	27,378	17,795 70	6,844 50	2,737 80	20 80	500	399	34	128	12,672	
Oct.	14,009	28,018	18,211 70	7,004 50	2,801 80	76 50	500	221	35	49	4,704	
Nov.	14,331	28,662	18,630 30	7,165 50	2,866 20	16 80	500	43	36	180	17,820	
										178	18,156	
										178	18,690	
										43	4,644	

Dec.	14,653	29,306	19,048 90	7,326 50	2,930 60	36 70	500	776	36	137	14,385
		308,978	200,835 70	77,244 50	30,897 80						
1900.											
Jan'y	14,973	29,946	19,464 90	7,486 50	2,994 60	61 60	500	596	37	180	19,440
Feb'y	15,293	30,586	19,880 90	7,646 50	3,058 60	73 50	500	417	38	179	19,869
Mar.	15,614	31,228	20,298 20	7,807	3,122 80	79 70	500	238	39	178	20,292
Apr.	15,935	31,870	20,715 50	7,967 50	3,187	86 20	500	61	40	177	20,709
										61	7,320
May	16,258	32,516	21,135 40	8,129	3,251 60	95 60	500	354	40	118	13,806
June	16,579	33,158	21,552 70	8,289 50	3,315 80	48 30	500	174	41	180	21,600
										174	21,402
July	16,899	33,798	21,968 70	8,449 50	3,379 80	15	500	984	41	5	600
Aug.	17,220	34,440	22,386	8,610	3,444	15	500	802	42	182	22,386
Sept.	17,538	35,076	22,799 40	8,769	3,507 60	8 40	500	621	43	181	22,806
Oct.	17,857	35,714	23,214 10	8,928 50	3,571 40	2 50	500	441	44	180	23,220
Nov.	18,177	36,354	23,630 10	9,088 50	3,635 40	4 60	500	262	45	179	23,628
Dec.	18,498	36,996	24,047 40	9,249	3,699 60	22	500	84	46	178	24,030
		401,682	261,093 30	100,420 50	40,168 20						
										84	11,592
1901.										95	12,825
Jan'y	18,820	37,640	24,466	9,410	3,764	71	500	710	46	180	24,840
Feb'y	19,141	38,282	24,883 30	9,570 50	3,828 20	114 30	500	530	47	180	25,380
Mar.	19,461	38,922	25,299 30	9,730 50	3,892 20	33 60	500	350	48	180	25,380
Ap'l	19,781	39,562	25,715 30	9,890 50	3,956 20	116 90	500	172	49	178	25,632
										172	25,284
May	20,103	40,206	26,133 90	10,051 50	4,020 60	102 80	500	978	49	6	864
June	20,425	40,850	26,552 50	10,212 50	4,085	48 30	500	797	50	181	26,607
July	20,741	41,488	26,967 20	10,372	4,148 80	15 50	500	617	51	180	27,000
Aug.	21,064	42,128	27,383 20	10,532	4,212 80	11 70	500	438	52	179	27,387
Sep.	21,385	42,770	27,800 50	10,692 50	4,277	44 20	500	260	53	178	27,768
Oct.	21,707	43,414	28,219 10	10,853 50	4,341 40	120 30	500	83	54	177	28,143
										83	13,446
Nov.	22,030	44,060	28,639	11,015	4,406	49 30	500	705	54	96	15,264
Dec.	22,351	44,702	29,056 30	11,175 50	4,470 20	105 60	500	526	55	179	28,998
		494,024	221,115 60	123,506	49,402 40						

[*In pencil in copy.]

	Force.	Dues.	65.	25.	10.	Rens.	Sales.	Oldest.	Age.	No. paid.	Am't rec'd.
1902.											
Jan'y	22,672	45,344	29,473 66	11,336	4,534 40	44 20	500	347	56	179	29,535
Feb'y	22,993	45,986	29,890 90	11,496 50	4,598 60	31 10	500	169	57	178	29,904
Mar.	23,315	46,630	30,309 50	11,657 50	4,663	97 60	500	486	57	169	28,899
Apr.	23,638	47,276	30,729 40	11,819	4,727 60	47 00	500	306	58	8	1,344
May	23,958	47,916	31,145 40	11,979	4,791 60	46 40	500	127	59	180	30,780
June	24,279	48,558	31,562 70	12,139 50	4,855 80	82 10	500	635	59	179	31,146
July	24,600	49,200	31,980	12,300	4,920	25 10	500	454	60	127	22,479
Aug.	24,919	49,838	32,394 70	12,459 50	4,983 80	19 80	500	274	61	52	9,048
Sep.	25,239	50,478	32,810 70	12,619 50	5,047 80	73 50	500	95	62	181	32,037
Oct.	25,560	51,120	33,228	12,780	5,112	76 50	500	344	62	180	32,400
Nov.	25,880	51,760	33,644	12,940	5,176	54 50	500	163	63	179	32,757
Dec.	26,199	52,398	34,058 70	13,099 50	5,239 80	144 20	500	286	63	95	17,670
		586,504	381,227 60	146,626	58,650 40					181	33,666
1903.										163	30,807
Jan'y	26,519	53,038	34,474 70	13,259 50	5,303 80	31 90	500	103	64	17	3,162
Feb'y	26,836	53,672	34,886 80	13,418	5,367 20	22 70	500	187	64	183	34,587
Mar.	27,153	54,306	35,298 90	13,576 50	5,430 60	185 60	500	4	65	103	19,776
Ap'l	27,470	54,940	35,711	13,735	5,494	172 60	500	31	65	80	15,122
May	27,784	55,568	36,119 20	13,892	5,556 80	102 80	500	40	65	183	35,136
June	28,096	56,192	36,524 80	14,048	5,619 20	27 60	500	73	65	4	780
July	28,406	56,812	36,927 80	14,203	5,681 20	64 40	500	142	65	182	34,944
Aug.	28,715	57,430	37,329 50	14,357 50	5,743	103 80	500	165	65	31	6,045
										157	30,144
										40	7,800
										150	28,800
										73	14,235
										118	22,656
										142	27,690
										50	9,993
										165	32,175

Sept.	29,023	58,046	37,729 90	14,511 50	5,804 60	90 80	500	204	65	29	5,568		
Oct.	29,329	58,658	38,127 70	14,664 50	5,865 80	193 50	500	9	66	195	38,025		
										9	1,782 24	4,536	
Nov.	29,634	59,268	38,524 20	14,817	5,926 80	156 70	500	15	63	105	20,475 38	7,068	
										25	4,800		
										15	2,835		
Dec.	29,933	59,866	38,912 90	14,966 50	5,986 60	2 60	500	80	62	149	27,714 46	8,418	
		677,796	440,567 40	169,449	67,779 60								
										80	14,880		
1904.													
Jan.	30,223	60,446	39,289 80	15,111 50	6,044 60	151 50	500	413	61	47	8,601 87	15,660	
Feb'y	30,509	61,018	39,661 70	15,254 50	6,101 80	102 20	500	196	62	217	39,711		
										196	36,456		
Mar.	30,792	61,584	40,029 60	15,396	6,158 40	15 80	500	480	62	20	3,660		
Apr.	31,076	62,152	40,398 80	15,538	6,215 20	52 60	500	263	63	217	40,362		
May	31,359	62,718	40,766 70	15,679 50	6,271 80	184 30	500	48	64	215	40,635		
										48	9,216		
June	31,644	63,288	41,137 20	15,822	6,328 80	164 50	500	331	64	169	31,941		
July	31,927	63,854	41,505 10	15,963 50	6,385 40	5 60	500	114	65	217	41,664		
										114	22,230		
Aug.	32,210	64,420	41,873	16,105	6,442	64 60	500	386	65	102	19,584		
Sept.	32,494	64,988	42,242 20	16,247	6,498 80	186 80	500	170	66	216	42,120		
										170	33,660		
Oct.	32,778	65,556	42,611 40	16,389	6,555 60	168 20	500	454	66	46	8,970		
Nov.	33,062	66,124	42,980 60	16,531	6,612 40	182 80	500	237	67	217	42,966		
Dec.	33,345	66,690	43,348 50	16,672 50	6,669	115 30	500	21	68	216	43,416		
		762,838	495,844 70	190,709 50	76,283 80								

15351

	Dues rec'd.	65%.	25.	10.	Est. expenses.	Interest.	Assets.	
Jan'y, '99							283,000	
" 1900	308,978	200,835 70	77,244 50	30,897 80	12,000 00	26,965 69	406,107 99	
" 1901	401,682	261,093 30	100,420 50	40,168 20	14,000	38,112 08	570,808 77	
" 1902	494,024	321,115 60	123,506	49,402 40	16,000	52,581 03	780,298 20	
" 1903	586,504	381,227 60	146,626	58,650 40	18,000	70,634 90	1,038,209 50	
" 1904	677,796	440,567 40	169,449	67,779 60	20,000	92,545 90	1,347,984	
" 1905	762,838	495,844 70	190,709 50	76,283 80	22,000	118,518 45	1,711,495 75	
							115 30	Blce., 65%.
	3,231,822	2,100,684 30	807,955 50	323,182 20	102,000	399,358 05	1,711,611 05	

	In force.	S. V.	Cf. p'd in— %.	Am't p'd in.	Assets.
Jan., 1899.....	11,009	208,536	67.4	419,600	283,000
1905.....	33,500	1,064,500	71.6	2,378,000	1,711,600

Loss & Gain.

50% profit p'd red. deb.	700,187
Estimated expenses...	102
Total loss.....	802,187
Interest earnings	399,358 50
Net deficit or excess of loss over gain.....	402,828 95

Time required to recover this balance @ 8%, 35.6 months.

Comparison & Ratios of Loss & Gain.

Year 1899.	%.	Profit paid.	Interest.	%.
"	33.3	66,945	26,965	39.5
"	"	87,031	38,112	43.6
"	"	107,038	52,581	48.6
"	"	127,076	70,634	55.9
"	"	146,855	92,545	63.1
"	"	165,281	118,518	71.5

470 P 26.

NEW ORLEANS, *June 14th*, 1897. No. 3189.

Hibernia national bank, New Orleans, La., $2,266.67.

Pay to New Orleans Debenture R. Co., Ltd., or order twenty-two hundred & sixty-six $\frac{67}{100}$ dollars.

(Sg.) GORDON S. ORME.

[Written across the face:] Hibernia national bank, New Orleans, La., paying teller, June 16, 1897.

[Endorsed:] No. 56658. Civil dist. court. State of Louisiana *v.* N. O. Debenture Redemption Co., Ltd. Offered in evidence by pl'ff. Filed Feb'y 1st, 1899. (Sg.) Joe Garidel, d'y cl'k. La. nat'l bank, New Orleans, Jun- 15, 1897. The New Orleans Debenture Redemption Co. of La., Ltd., per —— ——. P 26.

Ten thousands.

No. 3517.

Thousands.
0
1
2

Hundreds.
0
1
2

Tens.
0
1
2
3
4
5

Units.
0

Valueless without this attachment.

[Monogram:] N. O. D. R. Co. of La., Limited.

New Orleans Debenture Redemption Company of La., Ltd.

New Orleans, *June* 14, 1897.

Louisiana National Bank of New Orleans, La.,

Pay to the order of Gordon S. Orme $2,250.00, twenty-two hundred and fifty $\frac{00}{100}$ dollars.

Good only for amount of dollars indicated on attachment.

(Sg.) GEO. A. VILLERE, *President.*

(Sg.) J. P. WILLIAMS, *Secretary.*

[Written across the face:] Paid June 15, 1897.

[Endorsed:] No. 56658. Civil dist. court. State of Louisiana v. N. O. Debenture Redemption Co., Ltd. Offered in evidence by pl'ff. Filed February 1st, 1899. (Sg.) Joe Garidel, d'y cl'k. Hibernia national bank, New Orleans, La., rec'g teller, June 14, 1897. For deposit. (Sg.) Gordon S. Orme. P 27. 26 inside.

Ten thousands.

No. 4408.

Thousands.
0
1
2

Hundreds.
0
1
2

Tens.
0
1
2
3
4
5

Units.
0

Valueless without this attachment.

[Monogram:] N. O. D. R. Co. of La., Limited.

New Orleans Debenture Redemption Company of La., Ltd.

New Orleans, *June 15th*, 1897.

Whitney National Bank of New Orleans, La.,

Pay to the order of H. B. Byrne $2,250.00, twenty-two hundred and fifty $\frac{00}{100}$ dollars.

Good only for amount of dollars indicated on attachment.

(Sg.) GEO. A. VILLERÉ, *President.*

(Sg.) J. P. WILLIAMS, *Secretary.*

[Endorsed:] No. 56658. Civil dist. court. State of Louisiana v. N. O. Debenture Redemption Co., Ltd. Offered in evidence by pl'ff. For deposit. Filed February 1st, 1899. (Sg.) Joe Garidel, d'y cl'k. (Sg.) H. B. Byrne. Hibernia nat'l bank, New Orleans, La., rec'g teller, June 15, 1897. P 28.

471

NEW ORLEANS, *June 15th*, 1897. No. 459.

Hibernia national bank, $2,266.25.
New Orleans, La.,

Pay to New Orleans Debenture Co., Ltd., or order two thousand two hundred sixty-six and $\frac{25}{100}$ dollars.

(Sg.) H. B. BYRNE.

H. B. Byrne.

[Written across the face:] Hibernia nat'l bank, New Orleans, La., paying teller, June 16, 1897.

[Endorsed:] No. 56658. Civil dist. court. State of Louisiana *v.* N. O. Debenture Redemption Co., Ltd. Offered in evidence by pl'ff. Filed Feb'y 1st, 1899. (Sg.) Joe Garidel, d'y cl'k. The New Orleans Debenture Redemption Co. of La., Ltd., per —— ——. Whitney nat'l bank, New Orleans, June 15, 189–. P 28½.

Ten thousands. No. 4421.

Thousands.
0
1
2

Hundreds.
0
1
2

Tens.
0
1
2
3
4

Units.
0

Valueless without this attachment.

[Monogram:] N. O. D. R. Co. of La., Limited.

New Orleans Debenture Redemption Company of La., Ltd.

NEW ORLEANS, *June 18th*, 1897.

Whitney National Bank of New Orleans, La.,

Pay to the order of L. S. Graham $1,800.00, eighteen hundred $\frac{00}{100}$ dollars.

Good only for amount of dollars indicated on attachment.

(Sg.) DR. A. S. WAISS, *Vice-President.*

(Sg.) J. P. WILLIAMS, *Secretary.*

[Endorsed:] P 29. No. 56658. Civil dist. court. State of Louisiana *v.* N. O. Debenture Redemption Co., Ltd. Offered in evidence by pl'ff. Filed February 1st, 1899. (Sg.) Joe Garidel, d'y cl'k. L. S. Graham. Pay to order of Union national bank. (Sg.) Lewis S. Graham. Through N. O. clearing-house, Union nat'l bank, June 21, 1897. Endorsements guaranteed.

Ten thousands. No. 159.

Thousands.
0
1
2

Hundreds.
0
1
2

Tens.
0
1
2
3
4
5

Units.
0

Valueless without this attachment.

[Monogram:] New Orleans D. R. Co. of La., Ltd.

New Orleans Debenture Redemption Company of Louisiana, Ltd.

NEW ORLEANS, *June* 23, 1897.

Hibernia national bank,

Pay to the order of J. P. Williams $2,250.00, twenty-two hundred and fifty $\frac{00}{100}$ dollars.

Good only for amount of dollars indicated on attachment.

(Sg.) DR. A. S. WAISS, *Vice-President.*

(Sg.) J. P. WILLIAMS, *Secretary.*

[Endorsed:] No. 56658. Civil dist. court. State of Louisiana v. N. O. Debenture Redemption Co., Ltd. Offered in evidence by pl'ff. Filed February 1st, 1899. (Sg.) Joe Garidel, d'y cl'k. Whitney nat'l bank, New Orleans, June 24, 1897. (Sg.) J. P. Williams. P 30.

472

Ten thousands. No. 160.

Thousands.
0
1
2

Hundreds.
0
1
2

Tens.
0
1
2
3
4
5

Units.
0

Valueless without this attachment.

[Monogram:] New Orleans D. R. Co. of La., Ltd.

New Orleans Debenture Redemption Company of Louisiana, Ltd.

NEW ORLEANS, *June* 23, 1897.

Hibernia national bank,

Pay to the order of Dr. A. S. Waiss $2,250.00, twenty-two hundred and fifty $\frac{00}{100}$ dollars.

Good only for amount of dollars indicated on attachment.

(Sg.) DR. A. S. WAISS, *President.*

(Sg.) J. P. WILLIAMS, *Secretary.*

[Endorsed:] No. 56658. Civil dist. court. State of Louisiana v. N. O. Debenture Redemption Co., Ltd. Offered in evidence by pl'ff. Filed Feb'y 1st, 1899. (Sg.) Joe Garidel, d'y cl'k. Whitney nat'l bank, New Orleans, Jun- 24, 1897. Dr. A. S. Waiss. P 31.

473 Copy.

Incorporated under the laws of the State of Louisiana.

Number, 29. Shares, 25.

Shares, $100 each.

[Vignette.]

New Orleans Debenture Redemption Co. of Louisiana, Ltd.

This certifies that J. P. Williams is the owner of twenty-five shares, of one hundred dollars each, of the capital stock of New Orleans Debenture Redemption Co. of Louisiana, Ltd., transferable only on the books of the corporation, in person or by attorney, on surrender of this certificate.

In witness whereof the duly authorized officers of this corporation have hereunto subscribed their names and caused the corporate seal to be hereto affixed, at New Orleans, this 23rd day of June, A. D. 1897.

(Sg.) DR. A. S. WAISS,
Vice-President.

(Sg.) J. P. WILLIAMS, *Sec'y.*

[Printed in black ink, surrounded by black border.]
[Printed on the face:] Shares, $100 each.
[Written on the face in red ink:] Copy. Copy.

[On the back.]

For value received, — have bargained, sold, assigned, and transferred, and by these presents do bargain, sell, assign, and transfer, unto —— —— the capital stock named in the within certificate; and — do hereby constitute and appoint —— —— — true and lawful attorney, irrevocable, for — and in — name and stead, but to — use, to sell, assign, transfer, and set over all or any part of the said stock, and for that purpose to make and execute all necessary acts of assignment and transfer, and one or more persons to substitute, with like full power.

Dated —— —, 1—.

—— ——.

Signed and acknowledged in the presence of—

—— ——.

[Printed in green ink, surrounded by green border.]

[Endorsed:] No. 56658. Civil district court. State of Louisiana *v.* N. O. Debenture Redemption Co., Ltd. Offered in evidence by pl'ff. Filed January 31st, 1899. (Sg.) Joe Garidel, d'y cl'k.

474 & 475 The Middlesex Banking Company, a corporation, of the city of Middletown, Connecticut.

The Middlesex Banking Company, a corporation existing under a special charter granted by the State of Connecticut, for and in con-

sideration of the payment in advance of seven $\frac{87}{100}$ dollars, and the payment of a like amount, hereafter on the first day of each month until 120 payments shall have been made, promises subject to the express conditions upon and under which this obligation is issued, to pay at its office in the city of Middletown and State of Connecticut, unto John Doe, or his legal representatives or assigns, the sum of one thousand dollars on the first day of August, in the year nineteen hundred and eight. As security for the payment of this debenture, the Middlesex Banking Company covenants and agrees that it will at all times up to the payment hereof, have and keep assigned, transferred and delivered in trust, sundry moneys, notes or other obligations secured by first mortgage on real estate, or bonds issued by the United States of America, or other securities in which trustees are authorized by the laws of Connecticut to invest trust funds to such an amount as shall at the time equal in the aggregate the cash value of this debenture.

The terms and conditions upon which the foregoing obligation is made and issued are expressly stated to be as follows:

1. All payments provided in this obligation to be made either by or to the owner hereof are due and payable at the office of this company in the city of Middletown, Connecticut and such payments due the company can be made elsewhere only when exchanged for its receipt properly signed by its president, vice-president, secretary or assistant secretary.

2. During the continuance of this contract, this company, subject to the conditions and stipulations hereof, will promptly pay over to the Ætna Life Insurance Company of Hartford, Connecticut, out of each payment made to it hereunder, and only as payments are made to it, a monthly premium to the amount of one $\frac{37}{100}$ dollars on account of insurance under policy No. — issued by the said insurance company.

3. The owner hereof at any time after not less than one year's payments have been made, may surrender this obligation, and at his option—

(*a.*) Receive from this company in cash the amount stated in the accompanying table to be the cash value hereof according to the payments made; or

(*b.*) Direct this company to apply the cash value hereof to the payment of the premiums as they fall due upon his policy of life insurance for such periods (within the limits of time for which said policy was originally issued) as the cash value will reach to pay; or

(*c.*) Direct this company to use and apply the cash value hereof at the time of the surrender of this obligation as a single premium to the purchase of paid-up insurance at the owner's then-attained age, at the published rates and according to the regulations of the insurance company.

(4.) In case the owner hereof shall after not less than one year's payments have been made, fail to make any payments promptly as stipulated, and shall not within thirty days of default in making such payments, surrender this obligation to this company at its

office in Middletown, Connecticut, and receive the cash value hereof at the time of such default, or otherwise elect as hereinbefore in clause third provided, then this company will without any action of said owner, exercise for him the option of election and will apply the cash value hereof to the payment of the premiums as they fall due upon his policy of life insurance, for such period (within the time limit aforesaid) as the cash value shall reach to pay; and such application shall be and be held to be a full payment, satisfaction and discharge of this obligation.

5. Should the policy of insurance referred to in clause second of these conditions of this obligation be discontinued at any time, the owner hereof may direct this company to cease payments of premiums thereon, and in such event, the payments herein provided to be paid to this company shall be reduced to six $\frac{50}{100}$ dollars each payment thenceforth until the maturity of this obligation.

6. This obligation is absolutely non-forfeitable after one full year's payments have been made; but should the owner hereof, before one full year's payment shall have been made, make defaults in any payments herein provided to be made, this company, without notice to the owner, will cease to pay premiums on account of insurance, and upon such default this obligation shall become void and be cancelled on the books of this company.

7. This obligation can be assigned by the owner hereof only in writing, accompanied by a written acceptance of such assignment by the assignee and filed with this company; or at the option of the assignee this obligation may be surrendered for cancellation, and a new obligation be issued to him personally.

Dated at Middletown in the State of Connecticut this — day of —, —.

THE MIDDLESEX BANKING COMPANY,
By —— ——, *President.*
—— ——, *Secretary.*

Table of Cash Values.

After one year from date and one full year's payment made	$28.00
After two years from date and two full years' payment made	72.00
After three years from date and three full years' payment made	132.00
After four years from date and four full years' payment made	208.00
After five years from date and five full years' payment made	300.00
After six years from date and six full years' payment made	408.00
After seven years from date and seven full years' payment made	532.00
After eight years from date and eight full years' payment made	672.00

After nine years from date and nine full years' payment made 828.00
After ten years from date and ten full years' payment made 1,000.00

[Endorsed:] No. 00000. Instalment debenture of the Middlesex Banking Company of Middletown, Connecticut, U. S. A. Issued to John Doe, of New York. Matures Aug. 1st, 1908. For $1,000.00. Issued through American Life Underwriters' Agency, New York, N. Y. No. 56658. Civil district court. State of Louisiana c. N. O. Debenture Redemption Co., Ltd. Filed as annexed to defendant's bill of exception-. New Orleans, Feb'y 7th, 1899. (Sg.) Joe Garidel, d'y cl'k.

The Middlesex Banking Company of Middletown, Connecticut, is hereby directed to pay to —— —— the amount payable on this debenture, pursuant to the terms hereof, at the time of its surrender for payment and cancellation.

Dated at ——, on the — day of ——, ——.

(Signature:) —— ——.

(Witness to signature:)
—— ——.

The Middlesex Banking Company of Middletown, Connecticut, is hereby directed to pay to —— —— the amount payable on this debenture, pursuant to the terms hereof, at the time of its surrender for payment and cancellation.

Dated at ——, on the — day of ——, ——.

(Signature:) —— ——.

(Witness to signature:)
—— ——.

Received, Middletown, Connecticut, —— —, ——, of the Middlesex Banking Company the sum of — dollars in full payment of this debenture, which is hereby surrendered for cancellation.

(Sign here.) —— ——.

(Witness to signature:)
—— ——.

476 *Circular (Copy of) Issued by the N. O. Debenture Redemption Company of La., Ltd., Offered in Evidence by Plaintiff.*

Filed January 31st, 1899, and marked P 21.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION CO. OF Louisiana, Ltd. } No. 56658.

F. P. Jenkins, public accountant, auditor, etc., Title and Trust bldg., No. 100 Washington street, Chicago.

To whom it may concern:

This is to certify that I have made a careful and exhaustive examination into the system followed by the New Orleans Debenture Redemption Company of Louisiana, Limited, giving special attention to the redemption feature and the reserve apportionment.

The result of my investigation is to entirely satisfy me that the system is based upon an absolutely sound mathematical proposition, and is not only sound in theory, but perfectly feasible in practice. With the management in the hands of honest and competent business men, I have no hesitation in pronouncing the investment afforded by the system to be perfectly safe.

Very respectfully,
(Signed) F. P. JENKINS,
Public Accountant, Auditor, etc.

10th September, 1898.

477 *Circular (Copy of) Issued by Defendant Company, Offered in Evidence by Plaintiff.*

Filed January 31st, 1899, and marked P 22.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION CO. OF Louisiana, Ltd. } No. 56658.

The New Orleans Debenture Redemption Company of Louisiana, Limited.

NEW ORLEANS, *June 27th*, 1897.

To whom it may concern:

We, the undersigned, respectfully submit that we are officers and directors of the New Orleans Debenture Redemption Company of

Louisiana, Limited, and that we give our personal attention to the management of its business.

(Signed) GEO. A. VILLERE, *President.*

J. P. WILLIAMS,
Sec'y and Treas.

Directors:

Geo. A. Villere, V. Schwan & Co., 218 S. Peters St.
P. F. Herwig, capitalist, Hennen building.
Walter H. Rogers, ex-attorney general of Louisiana, Hennen building.
Gordon S. Orme, wholesale rice, 227 N. Peters St.
Geo. L. Grandall, general insurance, 134 Carondelet St.
478 Howard J. Lyons, general freight agent Southern Pacific R. R.
W. L. Saxon, of Smith Bros. & Co, 510 Poydras St.
Lewis S. Graham, L. Graham & Son, Ltd., 207 Baronne St.
H. B. Byrne, agent of Cen. Georgia R. R. Co., 301 Camp street.
A. S. Waiss, physician, Medical building.
O. M. White, sec. and treas. of V. Schwan & Co., 218 S. Peters St.
Geo. D. Feldner, drugs, 3206 Magazine St.

I have pleasure in certifying that the personnel of the management of the New Orleans Debenture Redemption Company of Louisiana, Limited, comprises some of the most prominent men of that city, whose character and reputation are such that I do not believe they would enter into any scheme that is not honestly and fairly conducted and which is not considered by them to be feasible in its plans.

(Signed) President Cotton Exchange,
FELIX COUTURIE.
President Board of Trade,
W. E. HUGER.
President Sugar Exchange,
J. C. MURPHY.
President Credit Men's Ass'n,
L. P. DEBAUTTE.
A. BRITTIN,
Acting Mayor of New Orleans.
FRANK A. DANIELS,
Postmaster of New Orleans.

We fully endorse all that is stated in the above certificate.

(Signed) S. D. McENERY,
U. S. Senator, Louisiana.
D. CAFFERY,
U. S. Senator, Louisiana.

I have the pleasure of certifying that the New Orleans Debenture Redemption Company of Louisiana, Limited, is a depositor in this bank; that the personnel of the management of that company com-

prises some of the most prominent business men of this city, whose character and reputation are such that I do not believe they
479 would enter into any scheme that is not honestly and fairly conducted and which is not considered by them to be feasible in its plans.

(Signed) R. M. WALMSLEY,
President Louisiana National Bank.
J. H. PAGAUD,
Cashier Whitney National Bank.
CHAS. PALFREY,
Cashier Hibernia National Bank.
D. G. BALDWIN,
Ass't Cashier New Orleans National Bank.

Circular (Copy of) Issued by Defendant Company Offered in Evidence by Plaintiff.

Filed January 31st, 1899, & marked P 23.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION CO. OF LOUISIANA, LTD. } No. 56658.

New Orleans Debenture Redemption Company of Louisiana, Ltd.

Capital, $100,000.00.

Office, 627 Gravier street.

Telephone, 1472.

NEW ORLEANS, —— —, ——.

Mr. —— ——.

DEAR SIR: This is to notify you that the first monthly payment on your debentures No. — to No. —, included, dated —— —, ——, and due on the first of this month, have not been made.

We beg to call your attention to the clauses on back of
480 our contract (see page 13 of enclosed pamphlet) making all monthly installments payable in advance at the home office, without notice, on or before the first day of each month, and for a failure to pay same before the fifth day of the month, at 3 o'clock p. m., the debenture is forfeited; but the said forfeited debentures can be reinstated within 30 days by payment of a reinstatement fee of $1.00 on each debenture in addition to the regular monthly installment.

As this is the first monthly payment due and payable at the home office, and taking into consideration that our plans may not have been well explained and may not be thoroughly understood, our rules allow you to reinstate your debentures without fine by paying the monthly installment within this month.

Remember this notice is only sent for the first monthly payment, so as to take no advantage of any misunderstanding. No further notice will be sent either for this or any of the other monthly payments.

Yours truly, THE NEW ORLEANS DEBENTURE REDEMPTION CO.,
Per —— ——, *Secretary.*

Contract (Duplicate) between New Orleans Debenture Redemption Co. of Louisiana, Ltd., and Adolph F. Waiss, Offered in Evidence by Pl'ff.

Filed January 31st, 1899, and marked P 25.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION CO. OF Louisiana, Ltd. } No. 56658.

481 In consideration for the delivery and transfer to them by Adolph F. Waiss, of the scheme, business and computations, under which the undersigned company has organized and declared its purposes in its charter, it is stipulated and agreed by and between Adolph F. Waiss and the New Orleans Debenture Redemption Company of Louisiana, Ltd.

First. That said Adolph F. Waiss, his heirs and assigns shall have and be entitled to receive a royalty of twenty cents on each and every debenture sold by said company, (provided more than one installment shall have been paid on same) for and during the term and space of ten years from October 1st, 1894. At the expiration of said term all royalties shall cease and no renewal shall be granted.

Second. That the said Adolph F. Waiss will be appointed for the term of ten years, unless sooner removed for cause, general manager of agencies for the States of Louisiana, Mississippi and Alabama, with full and exclusive power to appoint at his own charge and expense subagents; that the management and operations of the general manager of agencies, general agents and all subagents shall be under and subject to the supervision and control of the board of directors of the said New Orleans Debenture Redemption Company of Louisiana, Ltd., the said general manager of agencies to receive two (2) dollars on every debenture issued to holders in said States of Louisiana, Mississippi and Alabama, that the first monthly payment of two dollars shall be paid to general manager of agencies.

(Signed) A. F. WAISS.
THE NEW ORLEANS DEBENTURE REDEMPTION CO. OF LA., LTD.,
Per —— ——.

Oct. 15, '94.

482 *Check of Gordon S. Orme to Defendant Company and Endorsement Thereon, Offered in Evidence by Plaintiff.*

Filed February 1st, 1899, and marked P 26.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION CO. OF LOUISIANA, LTD. } No. 56658.

NEW ORLEANS, *June 14th*, 1897. No. 3189.

Hibernia national bank, New Orleans, La., $2,266.67.

Pay to New Orleans Debenture R. Co., Ltd., or order twenty-two hundred and sixty-six $\frac{67}{100}$ dollars. { Hibernia nat'l bank, June 16, 1897, Paying teller, New Orleans, La. }

(Signed) GORDON S. ORME.

On reverse of above check.

The New Orleans Debenture Redemption Co. of La., Ltd., per —— ——. { La. nat'l bank, June 15th, 1897, New Orleans. }

Check — New Orleans Debenture Redemption Company, Limited, to Gordon S. Orme and Endorsements Thereon, Offered in Evidence by Plaintiff.

Filed February 1st, 1899, and marked P 27.

Civil District Court, Division "C."

483 STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION CO. OF LOUISIANA, LTD. } No. 56658.

New Orleans Debenture Redemption Company of La., Ltd.

NEW ORLEANS, *June 14th*, 1897. No. 3517.

Paid June 15th, 1897.

Louisiana national bank

Pay to the order of Gordon S. Orme $2,250.00, twenty-two hundred and fifty & $\frac{00}{100}$ dollars.

Good only for amount of dollars indicated on attachment.

(Signed) GEO. A. VILLERE, *President.*

(Signed) J. P. WILLIAMS, *Secretary.*

On reverse of above check.

Hibernia nat'l bank, Rec'y teller, June 14, 1897, New Orleans, La.

For deposit.
(Signed) GORDON S. ORME.

Check of Defendant Company to H. B. Byrne and Endorsements Thereon Offered in Evidence by Plaintiff.

Filed February 1st, 1899, & marked P 28.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION CO. OF LOUISIANA, LTD. No. 56658.

The New Orleans Debenture Redemption Co. of Louisiana, Ltd.

484 NEW ORLEANS, *June 15th*, 1897. No. 4408.

Whitney national bank

Pay to the order of H. B. Byrne $2,250.00, twenty-two hundred and fifty $\frac{00}{100}$ dollars.

Good only for amount of dollars indicated on attachment.

(Signed) GEO. A. VILLERE, *President.*

(Signed) J. P. WILLIAMS, *Secretary.*

On reverse of above check.

For deposit.
(Signed) H. B. BYRNE.

Hibernia nat'l bank, Rec'y teller, June 15, 1897, New Orleans, La.

Check of H. B. Byrne to the New Orleans Debenture Redemption Co., Limited, & Endorsements Thereon, Offered in Evidence by Plaintiff.

Filed February 1st, 1899, and marked P 28½.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION CO. OF LOUISIANA, LTD. No. 56658.

H. B. Byrne.

NEW ORLEANS, *June 15th*, 1897. No. 459.

Hibernia national bank, New Orleans, La., $2,266.25.

Pay to New Orleans Debenture Co., Ltd., or order two thousand two hundred sixty-six and $\frac{25}{100}$ dollars.

Hibernia national bank, June 16, 1897, Paying teller, New Orleans, La.

(Signed) H. B. BYRNE.

485 On reverse of above check.

New Orleans Debenture Redemption Co. of La., Ltd., per —— ——. { Whitney nat'l bank, June 15, 189–. New Orleans. }

Check of New Orleans Debenture Redemption Co., Ltd., to L. S. Graham and Endorsements Thereon, Offered in Evidence by Plaintiff.

Filed February 1st, 1899, and marked P 29.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION CO. OF Louisiana, Ltd. } No. 56658.

New Orleans Debenture Redemption Company of La., Ltd.

NEW ORLEANS, *June 18th*, 1897. No. 4421.

Whitney national bank

Pay to the order of L. S. Graham $1,800.00, eighteen hundred $^{00}/_{100}$ dollars.

Good only for amount of dollars indicated on attachment.

(Signed) DR. A. S. WAISS, *Vice-President.*

(Signed) J. P. WILLIAMS, *Secretary.*

On reverse of above check.

Through New Orleans clearing-house, Union nat'l bank, June 21, 1897. Endorsements guaranteed. (Signed) L. S. Graham. Pay to order of Union national bank. (Signed) Lewis S. Graham.

486 *Check of New Orleans Debenture Redemption Co. of La., Ltd., to J. P. Williams & Endorsements Thereon, Offered in Evidence by Plaintiff.*

Filed February 1st, 1899, & marked P 30.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION CO. OF Louisiana, Ltd. } No. 56658.

New Orleans Debenture Redemption Company of Louisiana, Ltd.

NEW ORLEANS, *June 23rd*, 1897. No. 159.

Hibernia national bank

Pay to the order of J. P. Williams $2,250.00, twenty-two hundred and fifty $^{00}/_{100}$ dollars. Good only for amount of dollars indicated on attachment. { Hibernia nat'l bank, June 25, 1897, Paying teller, New Orleans, La. }

(Signed) DR. A. L. WAISS, *Vice-President.*

(Signed) J. P. WILLIAMS, *Secretary.*

On reverse of above check.

(Signed) J. P. Williams. { Whitney nat'l bank, June 24, 1897, New Orleans. }

Check of New Orleans Debenture Redemption Company, Ltd., to Dr. A. S. Waiss and Endorsements Thereon, Offered in Evidence by Plaintiff.

Filed February 1st, 1899, & marked P 31.

487 Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION CO. OF Louisiana, Ltd. } No. 56658.

New Orleans Debenture Redemption Company of Louisiana, Ltd.

NEW ORLEANS, *June 23rd*, '97. No. 160.

Hibernia national bank

Pay to the order of A. S. Waiss $2,250.00, twenty-two hundred and fifty $\frac{00}{100}$ dollars. { Hibernia nat'l bank, June 25, 1897, Paying teller, New Orleans, La. }

(Signed) DR. A. S. WAISS, *Vice-President.*

(Signed) J. P. WILLIAMS, *Secretary.*

On reverse of above check.

(Signed) Dr. A. S. Waiss. { Whitney nat'l bank, June 24, 1897, New Orleans. }

Note (Copy of) of J. P. Williams for Payment of Stock Subscription and Endorsements Thereon, Offered in Evidence by Plaintiff and Filed January 31st, 1899.

$2,250.00. NEW ORLEANS, LA., *June* 23, 1897. # 438.

On demand, after date, I promise to pay to the order of N. O. Debenture Red. Co. of La., Ltd., twenty-two hundred and fifty & $\frac{00}{100}$ dollars for value received, with interest, at the rate of 6 per cent. per annum, from date until paid, interest payable quarterly. This note is secured by pledge of the securities mentioned on the reverse hereof, and in case of non-payment of principal or interest, or should the drawer hereof when called on refuse or fail to keep the margin hereon good, the holder is hereby authorized to sell the said securities, at public or private sale, without recourse to legal proceedings,
488 and to make any transfer that may be required, applying proceeds of sale towards the payment of interest note.

(Signed) J. P. WILLIAMS.

Endorsements.

This note is secured by pledge of 25 shares of the capital stock of the N. O. Debenture Redemption Co. of La., Ltd., and it is specially agreed that any dividends that may be declared on said stock shall be applied to the payment of interest & principal that may be due hereon.

(Signed) J. P. WILLIAMS.

Int. paid to Oct. 1st, 1897	38.25
By dividend, Oct. 1, '97	211.75
Jan'y 1st, '98. Int. p'd to date	94.42
By dividend, Jan'y 1st, '98	
B'l'ee due on note	1,943.83
Apr. 1, '98. By cash	95.85
	1,847.98
July 1, '98. "	97.29
	1,750.69
Oct. 18, '98. "	98.75
	1,651.94
Jan'y 1, '99. Div	100.24
	1,551.70

Petition (Amended and Supplemental) for Injunction.

Filed March 2nd, 1899.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
NEW ORLEANS DEBENTURE REDEMPTION CO. OF LA., Ltd. } No. 56658.

To the honorable the judge of division "C," civil district court:

489 The supplemental and amended petition of The State of Louisiana, plaintiff herein, acting herein through its representative, M. J. Cunningham, attorney general, with respect represents that on May 20th, 1898, there was instituted by plaintiff suits against the debenture companies doing business in this city and State; that since said date several of the said companies have disappeared or dropped out of existence without responding to the said suits and leaving no assets for administration by this court for the benefit of their creditors, most of whom reside in this city and State.

Petitioner represents that in other cases since the institution of these suits some of the companies, without responding in any way to the complaint of the State, in order to defeat a proper adminis-

tration of the affairs by and under the supervision of this honorable court, have transferred their assets bodily into other States and out of the jurisdiction of this honorable court.

Petitioner further represents that in still other cases debenture companies, in order to defeat the ends of justice should the judgments in said litigation be adverse to them, and in order to deprive creditors of the benefits resulting from a just and impartial administration of its affairs by and under the supervision of the court, and in order to ward off or transfer their liability growing out of said business, have conspired with and are now negotiating with certain debenture companies organized in other States and doing business or attempting to do business in this State contrary to the laws and the constitution of this State; that in proceedings already had before this honorable court your petitioner conclusively showed
490 that negotiations were being actively conducted between such foreign debenture companies, the Cincinnati Debenture Co. and a debenture Co. of this city, by which the latter directly or indirectly was shifting its assets to the former out of the State and the jurisdiction of this honorable court, with the further assumption by the said foreign company of its liability to creditors here. Petitioner further represents that these negotiations were being carried on after the suit against the said company had been tried and submitted, and that after hearing of the case an injunction was issued against the said home company, and later against the said Cincinnati Debenture Company, prohibiting further such negotiations, as alleged in our petition.

Petitioner represents that — very large portion of the community is directly interested in these companies, who are continuing to do business under an illegal franchise, and that the recent developments in cases where several of these companies have so far been obliged to expose their true condition in court and the true character of their business have given great cause for and have caused much public scandal in the community and loss to the people.

Petitioner further represents that several debenture companies have already been placed in the hands of a receiver, who found in assuming charge of their assets very little left by their officers or stockholders with which to satisfy their large mass of creditors; that such a condition is partly brought about by the character of the business done, by which companies do not pretend to retain or have on hand an amount sufficient to cover the sums so received by them from their creditors or their debenture-holders; that under the plans of their said business they allow debenture-holders who have
491 paid in more than seven months to withdraw fifty per cent. of the amount so paid in, or in some cases they may loan to debenture-holders paying in over seven months half of the sums so paid in, taking a note therefor and taking said sums from their reserve fund, putting the said note in lieu thereof; that the said fund, according to their charter, is considered a trust or sacred fund for the ample protection, as they allege, for all outstanding creditors; that some of the notes so taken for loans and placed to reserve accounts as security to protect outstanding creditors are practically

worthless for the reason that the makers thereof have nothing whatever to satisfy the said note when it becomes due or thereafter.

Petitioner represents that the withdrawals so made and loans so allowed are consuming the remaining assets of the company, to the prejudice and loss of those debenture-holders and other creditors who will be left behind when the final crash comes, as it inevitably will.

Petitioner represents that in every case where the company has already been placed in the hands of a receiver it has been discovered, as already alleged, *the* the said withdrawals and loans made in the last hours of the company's existence so dissipated their assets to favored creditors or debenture-holders as to create the belief that an unjust preference was accorded them, at the expense and loss of the remaining creditors.

Petitioner further represents that according to the charter of the debenture companies they have an "expense fund" to which is credited a certain percentage of moneys received by them from their debenture-holders of their monthly payments; that although the said company is alleged to be grossly insolvent, nevertheless the said deductions are made from payments of debenture-hold-
492 ers and applied to said expense fund for the express purpose, as declared in their charters, of paying salaries and expenses of running the business and dividing the balance remaining among the stockholders as dividends on stock, although none of the latter has been fully paid, but, on the contrary, has been issued mostly for no consideration.

Petitioner represents that the balance now to the credit of said "expense fund" in reality is the money of the creditors and so belongs to them and should remain intact and be applied to the liquidation of indebtedness due said creditors; but petitioner has reason to fear, believes, and charges that the balance remaining to the credit of the said "expense fund" will be used by the directors and stockholders of the said The New Orleans Debenture Redemption Co. of La., Ltd., to make payment to or divide amongst themselves to the irreparable injury of all their creditors.

Petitioner represents that the said New Orleans Debenture Redemption Co. of La., Ltd., is herewith specially charged as being guilty of each and every one of the aforesaid allegations, and that though specially charged with gross insolvency, with doing business of a gambling character under the pretence of a charter, it continues to receive monthly from its debenture-holders their installments of money due on debentures, promising to return same with 50 % profit, which its officers know it has not the means or capacity or will ever have the means or capacity so to do, but that the said debenture-holders by the terms of their illegal contract are compelled to keep up said monthly payments or undergo the penalty of losing at least half of all amounts previously paid by them; that according to the evidence in all the cases heretofore tried the best and most honestly administered company is not worth
493 fifty cents on the dollar, and it is wrong to allow holders to continue to pay monthly installments of which we know

they are bound to lose at least one-half the amount paid in on their debentures.

Petitioner represents that all of said acts complained of would work an irreparable injury to said creditors and debenture-holders and to plaintiff in this regard, whose duty it is to see that its citizens and the public are not imposed upon under the color of a State franchise, and therefore warrant good cause for the issuance by this honorable court of its writ of injunction to conserve the assets within the jurisdiction of this court during the pendency of the proceedings herein, to the good of the Commonwealth and the creditors and debenture-holders of said company.

Wherefore your petitioner prays that this honorable court will grant a writ of injunction, directed to the said New Orleans Debenture Redemption Co. of La., Ltd., its officers, directors, agents, and representatives, enjoining them from acting as a corporation; from removing the assets and funds from the State of Louisiana or beyond the jurisdiction of this court, directly or indirectly, or *for* making any arrangements or negotiations for that purpose; from receiving money or installments on its debentures from any debenture-holder, paying out as surrenders or withdrawals or making loans on said debentures; from forfeiting any of the debentures or rights of its debenture-holders for the non-payment of installments—all until the further orders of this honorable court; and petitioner prays for costs and for general relief.

(Signed) M. J. CUNNINGHAM,
Attorney General.

(Signed) FRANK E. RAINOLD.
(Signed) STIFFT & MADISON, *Of Counsel.*

494

Affidavit.

STATE OF LOUISIANA, }
Parish of Orleans. }

Before me, the undersigned authority, personally came and appeared M. J. Cunningham, attorney general, who, being first duly sworn, deposes and says that all facts stated and allegations made in the above and foregoing supplemental petition are true and correct to the best of his knowledge, information, and belief.

(Signed) M. J. CUNNINGHAM.

Sworn to and subscribed before me this 20th day of February, 1899.

[SEAL.] (Signed) PETER STIFFT, *Not. Pub.*

Order of Court.

Considering the allegations of the within petition and considering, further, that since said petition was first presented the court has heard the defendants present their case fully and argue the same through counsel, and is therefore fully informed and advised in the premises—

It is ordered that this supplemental petition be now filed, and that a writ of injunction do issue herein, prohibiting and restraining the New Orleans Debenture Redemption Company of Louisiana, Limited, its officers, directors, agents, and representatives, from removing the assets and funds of said company from this State or beyond the jurisdiction of this court; from receiving any money or installments from its debenture-holders; from paying any money as surrenders or withdrawals or in redemption of debentures;
495 from making loans on and from forfeiting any of said debentures or the rights of any the holders thereof until the further order of this court.

New Orleans, March 2, '99.

(Signed) F. A. MONROE, *Judge.*

Judgment.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
NEW ORLEANS DEBENTURE REDEMPTION CO. OF LOUISIANA, Ltd. } No. 56658.

This case came up for hearing on this day.

Present: M. J. Cunningham, att'y gen'l, and F. E. Rainold, Esq., for plaintiff; Messieurs J. F. Pierson and W. H. Rogers, for defendant.

And after hearing pleadings, evidence, and counsel, the court considering the law and the evidence to be in favor of plaintiff and against defendant, and for the reasons assigned in open court on this day—

It is ordered, adjudged, and decreed that there be judgment in favor of the plaintiff, The State of Louisiana, and against the defendant, The New Orleans Debenture Redemption Company of Louisiana, Limited, decreeing the pretended charter, under color of which said defendant claims corporate existence, to be null, void, and of no effect.

496 It is further adjudged that the president, secretary, and general manager and the officers, agents, directors, stockholders, and members of said so-called corporation are and have ever been without legal authority to act in a corporate capacity in the name of said New Orleans Debenture Redemption Company of Louisiana, Limited, and under color of its pretended charter.

It is further ordered that the injunction heretofore issued, prohibiting and restraining said company, its officers, directors, agents, and representatives, from removing the assets and funds of said company from this State or beyond the jurisdiction of this court, from receiving any money or installments from its debenture-holders, from paying out any money on surrenders or withdrawals or in redemption of debentures, from making loans on and from forfeiting any of said debentures or the rights of any of the holders thereof, be now confirmed and made absolute; and it is further or-

dered and adjudged that said company, so called, its officers, agents, representatives, and members, be further perpetually enjoined and restrained from acting in a corporate capacity.

It is further ordered that the costs of this suit be paid by the defendants.

Judgment rendered March 2nd, 1899.

Judgment signed March 8th, 1899.

(Signed) F. A. MONROE, *Judge.*

Motion for New Trial.

Filed March 6th, 1899, and entered on minutes of same day.

497 Civil District Court, Division "C," Parish of Orleans, Louisiana.

STATE OF LOUISIANA
vs. No. 56658
NEW ORLEANS DEBENTURE REDEMPTION CO. OF LA., LTD.

And now into court comes the said defendant, The New Orleans Debenture Redemption Company of Louisiana, Limited, through its counsel, J. F. Pierson and W. H. Rogers, herein, and respectfully submits that this defendant feels aggrieved by the judgment of the court given herein against it, and therefore prays the court for a new trial upon the following grounds and for the following reasons, namely:

1. That the judgment of the court rendered against the defendant is contrary to the law and the evidence.

2. That the proper and necessary persons and parties in interest are not joined, cited, or made defendants in this case, and because no proper party defendant has been made, joined, or cited to defend this suit.

3. That there is no defendant present or before the court against which the judgment of the court as rendered can have effect or against which the judgment rendered can be contradictorily enforced or executed.

4. That it is not alleged or established by the proof on the trial that the State, as sole plaintiff in this case, has or had any real or actual interest in the subject-matter of this suit, nor does
498 the proof adduced on the trial establish any right in the State to recover the judgment herein rendered.

5. That the burden rests upon the State, as the sole plaintiff, to establish the illegality of the business or enterprise pursued by this defendant and for the pursuit of which it was organized, whilst the proof adduced on the trial does not establish that the said business or enterprise of this defendant is illegal, immoral, or *contra bonos mores*; that it is either prohibited by law or *malum in se*.

6. That under the law and by the evidence adduced on trial it is shown that the business or enterprise pursued by this company, and for the pursuit of which it was organized, is legal and competent,

and that the organization of said company is expressly permitted and authorized by law to that pursuit.

7. That the judgment as rendered improperly deprives this defendant company, a duly and legally organized corporation, of the right to pursue in a legal and proper manner the lawful business, avocation, or enterprise for the pursuit of which it was expressly organized, and said judgment is therefore in contravention of the constitution of this State and of the Constitution of the United States, especially the fourteenth amendment of the latter.

8. That the said business and enterprise *and enterprise* pursued by this defendant are among the common occupations of life, and the right to pursue and follow the same is an inalienable right, the enjoyment of which is guaranteed to it by the fourteenth amendment of the Constitution of the United States, and under which this defendant cannot be legally deprived of same.

9. That the State being the only party plaintiff to this suit, and this defendant, in its organized corporate capacity, being the only defendant thereto, judgment herein rendered decreeing and
499 declaring the absolute nullity of defendant's charter and in legal effect the non-existence of the defendant in its corporate capacity, the one in which alone it is sued, and the said judgment being so rendered in this case without the presence, notice to, or hearing of the parties and persons by whom this defendant was so organized, the only real and true parties in interest, the said judgment as rendered, in legal effect, is one rendered *ex parte* without citation or notice to or hearing by the real or actual parties in interest, who alone are capable of defending this suit as to the organization of this defendant, and said judgment is therefore not due process of law, and in effect and through the instrumentality of said judgment this defendant is improperly deprived of its inalienable right to pursue the business, avocation, or enterprise for which it was organized without the process of law and in violation of — contravention of the constitution of this State and the said amendments to the Constitution of the United States.

10. That in rendition of the final judgment in this case the court improperly granted leave to the plaintiff, and by the final judgment allowed the said plaintiff to file the supplemental petition in this case, and which is contrary to the law and the evidence in this case for the reasons:

A. The plaintiff, in the original petition filed in this case, had applied for and obtained issuance of a writ of injunction on substantially the same grounds as those contained in said supplemental petition, and the same, after appearance by this defendant, had been set aside and dissolved by the court in this case prior to the final trial thereof, and the remedy of the plaintiff, if any existed, was thereafter by appeal to the supreme court from the interlocutory order and
500 decree of the court setting aside and dissolving the original injunction issued in this case, and which order and decree of the court at the time said supplementary petition was allowed and filed formed *res adjudicata* against the application for said writ of injunction contained in said supplementary petition, and bars and estopps

the said plaintiff from subsequently applying in the same case for another writ of injunction on substantially the same grounds.

(B.) The said supplementary petition came too late, and the leave of the court was not timely granted, the leave of the court being first granted in the oral opinion of the court rendered in which the final judgment was entered in this case for the plaintiff, and the said supplemental petition not having been filed until after the rendition in open court of the oral opinion of the court and the entry of the final judgment for the plaintiff in this case.

(C.) That the said supplemental petition was applied for and filed without any previous notice to this defendant or that of its stockholders or creditors and without notice to any other person or parties in interest or affected by the writ of injunction which was issued under the order of court rendered on said supplemental petition, and the same was so applied and issued *ex parte* and without notice or extending to this defendant or any party in interest the right or power to make defence against the same or to be heard against same.

(D.) The said writ of injunction issued under said supplemental petition was so issued under the order of this court after the rendition of final judgment in favor of the plaintiff, and in which a writ of injunction in this case in favor of the said plaintiff had been decreed by the court to issue under said judgment against the defendant.

501 (E.) The writ of injunction is applied for under said supplemental petition by the State, which appears to have been joined in said supplemental petition by some unknown and undisclosed intervenor, unknown to this defendant and not a party to this suit or proceeding, and the object sought to be attained or aimed at by the said writ does not embrace or relate to any matter in which the State has or had any actual or real interest, nor has the State the legal right to claim in this case any writ of injunction against the defendant upon any ground set forth in said supplemental petition, but the grounds and objects disclosed in said supplemental petition, upon which said writ of injunction is therein claimed, relate to private and personal matters between other and differed parties, and involve no right or interest which the State in its sovereign capacity is entitled in law to control or enforce.

(F.) The State, by this supplemental petition for writ of injunction under her sovereign prerogatives, without bond or security, is not by law entitled, in the interest or for the benefit of any third person or parties having the right under the law in their own interest, to apply for the same by giving bond and security and otherwise complying with the requirements of the law therefor.

(G.) The right of the writ of injunction under the said supplemental petition appears to be predicated upon the acts and doings of other unnamed and undisclosed corporations and companies and other third persons, both in and out of this State, none of whom are parties to this suit, or for whose acts or conduct this defendant is in any manner responsible or bound thereby, and the said grounds so set up in the said supplemental petition are wholly irrelevant as

against this defendant and wholly without equity or legal effect as a basis to enjoin the parties specified in said order and writ.

502 Neither does the decree of the nullity or forfeiture of the defendant's charter operate or have the effect in law to forfeit either the title, ownership, or control of the property or any of it used or held by the defendant in the pursuit of its business or enterprise.

(H.) The legal effect of the said writ under the said supplemental petition is to take from this defendant, its stockholders and creditors, the property rights and interest used and held by the company without any compensation made therefor, and is in violation of the constitution of this State protecting property rights against being so taken by any one.

(I.) The said writs of injunction decreed by the court to be issued in this case have in part for their object the judicial coercion of this defendant, its stockholders and creditors, to violate their contracts and to forfeit their right under said contracts, and judicially to compel them to break, alter, and charge said contracts without the consent of any of the parties thereto, and the said judgment is in violation of the Constitution of the United States and the amendments thereto enacted for the protection of such contract rights and to prevent the violation thereof, and the said State of Louisiana is without right or interest to intervene or interfere in the matter of the said contracts or the property interests involved under said writ.

11. On the trial of this case this defendant offered to show by witnesses that in the organization of this defendant company the parties by whom it was organized acted in good faith in organizing it and for the *bona fide* purposes and objects specified in the fourth article of its charter; that said parties in the said organization did not intend thereby to injure or defraud any one, but in good

503 faith to keep and carry out the contracts entered into pursuant to its charter; that said parties were actuated by no illegal motive or purpose; and to all of which evidence the State on the trial objected on the ground that the same was irrelevant and not pertinent to the issues of this case, and which objection was by the court sustained on the ground that the nullity of the charter was demanded in this case on grounds other than the motives and intentions actuating the said persons in the said organization, and substantially on the ground that the business and enterprise pursued by the defendant company is, *per se*, illegal, immoral, and *contra bones mores*, and which the State on the trial of this case failed to prove or establish.

12. That the act No. 36 of 1888, under which this defendant was organized, is a general law of this State in relation to the pursuit of private business affairs, and applying generally to all business pursuits and avocations, excepting only stock jobbing, and such is a general law of the State on that subject, and the State as plaintiff in this suit has no more right or interest to enquire into or control the action of this defendant, its stockholders and creditors, in the pursuit of the private business involved in this case than it would

have in any other private transaction between citizens, and the State is therefore without any actual or real interest in the subject-matter of this suit, and by law without right to the judgment rendered in her favor in this case.

This defendant therefore respectfully prays for a new trial, and that the judgment rendered in this case be avoided, annulled, and reversed, and that a final judgment be rendered for defendant, and for costs and general relief.

Respectfully submitted.

(Signed) W. H. ROGERS,
504 J. F. PIERSON,
Att'ys for Defendant.

New Trial Refused.

Extract from Minutes, Division "C."

MONDAY, *March* 6, 1899.

Present: Honorable F. A. Monroe, judge.

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited. } No. 56658.

On motion of Messieurs J. F. Pierson and W. H. Rogers, attorneys for the defendant—

It is ordered that plaintiff show cause on such a day as the court may fix why a new trial should not be granted on the grounds on file.

And the rule having been submitted, the court considering, *that* all the grounds assigned, the judgment shall remain undisturbed—

It is ordered that defendant'- rule be dismissed and its application for a new trial refused at its costs.

Judgment Signed.

Extract from the Minutes of Division "C."

WEDNESDAY, *March* 8, 1899.

Present: Honorable F. A. Monroe, judge.

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION
505 Company of Louisiana, Limited. } No. 56658.

The judgment in this case rendered on the 2nd day of March, 1899, was signed in open court on this day.

Petition for Appointment of Liquidation for Inventory & Order of Court Thereon.

Filed March 9th, 1899.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited. } No. 56658.

To the honorable the judges of the civil district court:

The petition of August M. Benedict, a resident of the parish of Orleans, with respect represents—

That he has been appointed by Honorable Murphy J. Foster, governor of the State of Louisiana, the liquidator of The New Orleans Debenture Redemption Company of Louisiana, Limited, defendant herein.

That said appointment was made by the governor after he was officially informed of the judgment rendered by this honorable court in this cause and the necessity for a liquidation of its affairs.

That he herewith presents to this honorable court his commission which empowers him to act as liquidator of the defendant Co., upon taken the oath of office and giving bond in an amount to be fixed by this honorable court.

506 Wherefore petitioner prays that he be recognized as liquidator of the defendant corporation, and that his commission be spread upon the minutes of this court; that his bond be fixed by this court, and that an inventory of all the assets of the defendant company be made by George W. Flynn, notary public, of this city, assisted by E. P. Andre and E. Blanc, appraisers; that your petitioner, as liquidator, be allowed by this court to take charge of the affairs and assets of the defendant company, and that the officers of said defendant company be directed to turn over to petitioner all the assets, books, papers, and other property of whatever nature or kind belonging to the said defendant corporation; and petitioner prays for such further orders as the nature of the case may require, and for general relief.

(Signed) FRANK E. RAINOLD AND
STIFFT & MADISON,
Att'ys for Petitioner.

Order.

Consider the averments of the within petition and the annexed commission of Hon. Murphy J. Foster, governor of the State of Louisiana—

It is ordered that August M. Benedict be, and he is hereby, recognized as liquidator of the New Orleans Debenture Redemption Co. of La., Ltd.; that his commission be spread upon the minutes of

this court, and that letters issue to him as such liquidator upon his taking oath and furnishing bond in the sum of ten thousand dollars, to be hereafter increased as the court may deem necessary.

It is further ordered that the officers of the said defendant company be directed to transfer and turn over to said liquidator
507 all the assets, books, and other property of whatever nature or kind belonging to said defendant corporation.

It is further ordered that an inventory of all the property of said defendant company be taken by George W. Flynn, notary public of this city, and let E. P. Andre and E. Blanc be appointed and sworn as appraisers to value the property to be inventoried according to law.

New Orleans, March 9th, 1899.

(Signed) F. A. MONROE, *Judge.*

Commission by the Governor of the State of Louisiana to August M. Benedict as Liquidator.

Filed March 9, 1899.

STATE OF LOUISIANA EXECUTIVE DEPARTMENT.

In the name and by the authority of the State of Louisiana—

Know ye that by virtue of the authority vested in me by sec. 731 of the Revised Statutes I have nominated, constituted, and appointed, and by these presents do nominate, constitute, and appoint, August M. Benedict liquidator to take charge of and liquidate the affairs of the New Orleans Debenture Redemption Company of Louisiana, Limited.

And I do hereby authorize and empower him to execute and fulfil the duties of said office according to law, after qualifying and giving bond in the amount fixed by the civil district court for the parish of Orleans.

508 In testimony whereof I have hereunto set my hand, at the city of Baton Rouge, this 6th day of March, in the year of our Lord eighteen hundred and ninety-nine.

(Signed) MURPHY J. FOSTER, *Governor.*

Oath of Liquidator.

Filed March 10, 1899.

STATE OF LOUISIANA:

Civil District Court for the Parish of Orleans, Division "C."

STATE OF LOUISIANA *vs.* NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited.	No. 56658.

Before me, Jas. D. Rankin, deputy clerk of the civil district court for the parish of Orleans, personally came and appeared August M. Benedict, who solemnly swears that he will well and faithfully per-

form all and singular the duties of liquidator herein, so help him God.

(Signed) AUGUST M. BENEDICT.

Sworn to and subscribed before me.
New Orleans, March 10th, 1899.
[SEAL.] (Signed) JAS. D. RANKIN,
Deputy Clerk.

Liquidator's Bond.

Filed March 10th, 1899.

509 Liquidator's bond.

STATE OF LOUISIANA:

Civil District Court for the Parish of Orleans, Division "C."

Know all men by these presents that we, August M. Benedic, liquidator of the New Orleans Debenture Redemption Co. of La., Ltd., as principal, and National Surety Co. of New York, as surety of the State of Louisiana, are held and firmly bound unto the judges of the civil district court for the parish of Orleans and unto His Excellency Murphy J. Foster, governor of the State of Louisiana, in the sum of ten thousand dollars, current money of the United States of America, which we promise to pay to them or their successors in office; for the faithful performance of which *which* we bond ourselves and each of us, our and each of our heirs, executors, and administrators, jointly and severally, firmly by these presents, renouncing all benefit or division or discussion whatever.

Sealed with our seals this tenth day of March, in the year of our Lord one thousand eight hundred and ninety-nine, and the 123 year of the Independence of the United States of America.

The condition of the above obligation is such that if the above-bounden August M. Benedic, liquidator of the New Orleans Debenture Redemption Co. of La., Ltd., does well and truly, according to law, administer and liquidate the affairs of the same, and, further, does make and render a true, just, and perfect account of his actions and doings when thereunto lawfully required agreeable to law, then this obligation to be void, or else to remain in full force and virtue.

(Signed) AUG. M. BENEDIC.
NATIONAL SURETY CO.
510 JOS. H. DE GRANGE,
Res't Vice-Pres't.

Attest:
[SEAL.] EDWIN SHELBY,
Resident Ass't Sec'y.

Letters to the Liquidator.

Filed March 10, 1899.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
NEW ORLEANS DEBENTURE REDEMPTION CO. OF LA., LTD. } No. 56658.

STATE OF LOUISIANA:

Civil District Court for the Parish of Orleans, Division "C."

This shall certify to all whom it may concern that on the ninth day of March, in the year of our Lord one thousand eight hundred and ninety-nine, and the one hundred and 23rd of the Independence of the United States of America, an order was made by the Honorable F. A. Monroe, judge of the civil district court for the parish of Orleans, division "C," appointing August M. Benedic liquidator of the New Orleans Debenture Redemption Company of Louisiana.

Now know ye that August M. Benedic has been, and he is hereby, appointed liquidator of the said New Orleans Debenture Redemption Company, Limited, of Louisiana, and that he has fulfilled all the requisites of law.

Witness our hand and the seal of the said civil district
511 court this 10th day of March, in the year of our Lord one thousand eight hundred and ninety-nine, and in the one hundred and 23rd of the Independence of the United States.

(Signed) F. A. MONROE, *Judge.*
(Signed) JAS. D. RANKIN, *D'y Clerk.*

Motion for a Suspensive and Devolutive Appeal. Entered on the Minutes of March 10, 1899, and also Filed March 10, 1899.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
NEW ORLEANS DEBENTURE REDEMPTION CO. OF LA., LTD. } No. 56658.

On motion of J. F. Pierson and W. H. Rogers, attorneys for the defendant, and on their suggesting that the defendant, "The New Orleans Debenture Redemption Company of Louisiana, Limited," feels aggrieved by the judgment of this court in this cause rendered against said defendant, and that said defendant desires to and now applies for an appeal, devolutive and suspensive, from said judgment, returnable in the supreme court of this State, at the city of New Orleans, according to law, and that the amount of the appeal bond for suspensive appeal and the amount of bond for the devolutive appeal be fixed—

It is therefore ordered that the appeal, both devolutive and suspensive, be, and the same is hereby, granted, returnable in the supreme court of this State on the third Monday in March, 1899, and according to law, and that the bond for the suspensive
512 appeal be, and the same is hereby, fixed at the sum of one thousand ($1,000.00) dollars, and that for the devolutive appeal be fixed at the same amount.

(Signed) F. A. M.

Petition for Suspensive and Devolutive Appeal & Order Thereon.

Filed March 10th, 1899.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
NEW ORLEANS DEBENTURE REDEMPTION CO. OF LA., LTD. } No. 56658.

To the honorable the civil district court, parish of Orleans, F. A. Monroe, judge div. "C.":

The petition of Walter H. Rogers, Gordon S. Orme, James B. Sinnott, Walter L. Saxon, Henry B. Byrne, Joseph L. Herwig, Gustave Kohn, John W. Moore, John W. Fairfax, Simon M. Fucich, Jacob Young, Phil. J. McManus, Mrs. Regina Waiss, Dr. Alexander S. Waiss, Theodore D. Waiss, Jean Brody, Joseph P. Williams, Frank Dameron, Robert S. Moore, Nevins Kirkpatrick, George D. Feldner, residents of your State, and W. D. Bettis, of the State of Texas, and P. J. Lyons, of the State of Alabama, with respect represents that they are stockholders with money and property interests invested in the defendant company in large sums, amounts, and values, largely exceeding two thousand dollars, and that your petitioners, H. B. Byrne, G. D. Feldner, J. L. Herwig, G. S. Orme, W. H. Rogers, W. L. Saxon, J. B. Sinnott, R. S. Moore, Frank Dameron, J. P. Williams, are members of and compose the board of directors of said company, actually in the discharge of the
513 duties and exercise of the powers conferred by and devolving on them under the charter and amended charter of the defendant company, and subject to all the liabilities and responsibilities incident to their said offices and positions.

They show that in the above-entitled cause and proceedings a final judgment was rendered against the said defendant company in its organized or corporate capacity, declaring and decreeing the illegality of the objects and purposes of its organization and the nullity of the charter by which it was organized and incorporated and under which it is in pursuit of the objects and purposes for which it was organized.

That there was neither made, joined, cited, or before the court any other or different defendant than the said company in its organized and corporate capacity, and that none of the individual incorporators or other persons in interest were ever in any manner

made parties to said suit or cause or ever appeared as parties thereto.

That the sole issue in said suit and cause upon which the judgment of the court therein rendered was predicated is that in relation to the legality of the purposes and objects for which said company was organized by said corporators and the legality and validity of the charter adopted and executed by the said corporators, who are now your petitioners herein.

They represent that the right to be a corporation or the right to legal existence as such is not a franchise of the said corporation itself, but is one of the said incorporators only, and same exclusively belongs to them.

That the said corporation in its said organized and corporate capacity is the sole and only defendant in said cause, and
514 it is absolutely without right or capacity in law to represent or defend the legality of the said acts of its incorporators or of the said charter by which it was created or constituted, and that there was no person or party defendant in said cause having the legal right or capacity to defend the said suit and proceedings by the State, or to stand in judgment therein, or against whom said judgment can or could be legally or validly rendered or enforced.

That your petitioners, the incorporators and stockholders, are and were all the only parties in actual or real interest and necessary parties defendants in said cause and the only defendants with the legal right or capacity to defend said suit or to direct or control said defence, and none of them were made or are parties to said cause, suit, or judgment or to any orders, decrees, or proceedings had in said cause.

These petitioners respectfully represent that they and each of them feel aggrieved by the orders, decrees, proceedings, and judgment had, made, and rendered in said cause and by the writs of injunction which they are advised were ordered and issued in said cause and the order and proceedings for the appointment of a liquidator or receiver to take charge of the properties and assets of said company and to settle the affairs of said company, all of which they show is highly prejudicial to the legal rights of your petitioner and which will work an irreparable injury to the said company, its stockholders, board of directors, and creditors, including these petitioners.

That the petitioners desire to intervene in said cause solely for the purpose to take and prosecute an appeal, devolutive and suspensive, from the said final judgment and from all orders, decrees, and proceedings had in said cause, including the order and
515 proceedings for the writ of injunction therein ordered or issued, and including all orders, decrees, or proceedings made or had therein for the appointment of a liquidator or receiver for said company; that they are advised through the public press of this city that August N. Benedic, of this city, has been appointed to take charge of and liquidate the affairs of said company, and that this appointment was made by the governor of this State, and that petitioners desire to include in their appeal the said orders and pro-

ceedings for said appointment, to the end that on said appeal they may be enabled to be heard, to reverse, annul, and set aside all of said proceedings in said matter.

Wherefore they pray for service and citation of this petition upon the plaintiff, The State of Louisiana, and upon August M. Benedic, under his said appointment, and for the order of the court for an appeal, devolutive and suspensive, from the final judgment in the said cause, including all orders, decrees, and proceedings had or made therein, and including the appointment of said liquidator, and suspending all of said judgments, orders, decrees, and proceedings therein pending their said appeal; that said appeal be made returnable in the supreme court of this State on Monday, the — day of ——, 1899, and according to law; that the amount of the appeal bond for suspensive appeal and the amount of the bond for devolutive appeal be fixed by the court, and for all necessary orders and decrees, and for general relief.

(Signed) J. F. PIERSON,
(Signed) W. H. ROGERS, *Att'ys.*

Order.

It is ordered that the above and foregoing petition for ap-
516 peal be filed; that service and citation thereof be made upon the State of Louisiana, through M. J. Cunningham, attorney general, and upon August M. Benedict, as prayed for; that the devolutive and suspensive — be, and the same is hereby, granted, returnable into the supreme court of the State on or before the third Monday of March, 1899, and according to law; that the bond for a suspensive appeal be, and is hereby, fixed at the sum of one thousand dollars ($1,000.00) *dollars*, and for devolutive appeal at the sum of one thousand dollars.

New Orleans, Louisiana, this tenth day March, 1899.

(Signed) F. A. MONROE, *Judge.*

Service accepted and citation of appeal waived March 10, '99.

(Signed) M. J. CUNNINGHAM, *Att'y Gen'l.*
(Signed) F. E. RAINOLD,
Att'y for Liquidators.
(Signed) STIFFT & MADISON,
Att'y for Liquidator.

Service accepted and citation of appeal waived for The New Orleans Debenture Redemption Company of Louisiana, Limited, defendant. Said company acquiesces in this appeal March 10th, 1899.

(Signed) J. F. PIERSON,
" W. H. ROGERS,
Att'ys for Defendant Company.

Bond for Devolutive & Suspensive Appeal.

Filed March 10th, 1899.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION
517 Company of Louisiana, Limited. } No. 56658.

We, The New Orleans Debenture Redemption Company of Louisiana, Limited, defendant in the above cause, as principal, and Fidelity & Deposit Company of Md., as surety, acknowledged to be legally indebted unto Paul O. Guerin, clerk of the civil district court for the parish of Orleans, State of Louisiana, in the full sum of one thousand dollars; for the payment of which we bind ourselves, our heirs and assigns, firmly and *in solido*, by these presents.

City of New Orleans, Louisiana, this March tenth, 1899.

This bond is given for an appeal, devolutive and suspensive, to the supreme court of the State of Louisiana from the final judgment rendered in the above cause, and it is given as surety that the said defendant company, appellant, shall prosecute its said appeal, and that it shall satisfy whatever judgment may be rendered against it on said appeal, or that the same shall be satisfied by the proceeds of the sale of its estate, real or personal, if it be cast in its appeal; otherwise that the surety shall be liable in its place.

(Signed) THE NEW ORLEANS DEBENTURE REDEMPTION CO. OF LOUISIANA, LIMITED,
By W. H. ROGERS, *President.*
FIDELITY & DEPOSIT COMPANY OF MD.,
By P. M. MILNER, *Local Director.*

Attest: CHAS. H. BLACK & CO.,
General Agents.
By J. E. WARNER.
[SEAL.]

518 *Bond for Devolutive and Suspensive Appeal.*

Filed March 10th, 1899.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION CO. OF La., Ltd. } No. 56658.

We, Walter H. Rogers, Gordon S. Orme, James B. Sinnott, Walter L. Saxon, Henry B. Byrne, Joseph L. Herwig, Gustave Kohn,

John W. Moore, John W. Fairfax, Simon M. Fucich, Jacob Young, Phil. J. McManus, Mrs. Regina Waiss, *femme sole*; Dr. Alexander S. Waiss, Theodore D. Waiss, Jean Brody, and Joseph P. Williams, as stockholders in the defendant company in the above cause, and we, H. B. Byrne, G. D. Feldner, J. L. Herwig, G. S. Orme, W. H. Rogers, W. L. Saxon, J. B. Sinnott, R. S. Moore, Frank Dameron, and J. P. Williams, as members constituting the board of directors of the debenture company in the above cause, appellants, as principals, and Fidelity and Deposit Company of Md., as surety, acknowledge to be legally indebted to Paul O. Guerin, clerk of the civil district court for the parish of Orleans, State of Louisiana, in the full sum of one thousand dollars; for the payment of which we bind ourselves, our heirs and assigns, firmly and *in solido*.

New Orleans, Louisiana, this March tenth, 1899.

This bond is given for an appeal, devolutive and suspensive, to the supreme court of the State of Louisiana from the final judgment, orders, decrees, and all proceedings had or rendered in the above-entitled suit and proceedings, and it is given as surety
519 that the said principals, appellants, shall prosecute their said appeal, and that they shall satisfy whatever judgment may be rendered against them or any of them, or that the same shall be satisfied by the proceeds of the sale of their estates, real or personal, if they be cast in their said appeal; otherwise that the said surety shall be liable in their place.

(Original signed)

WALTER H. ROGERS,
GORDON S. ORME,
JAMES B. SINNOTT,
WALTER L. SAXON,
HENRY B. BYRNE,
JOSEPH L. HERWIG,
GUSTAVE KOHN,
JOSEPH W. MOORE,
JOHN W. FAIRFAX,
SIMON L. FICICH,
JACOB YOUNG,
PHIL. J. McMANUS,
MRS. REGINA WAISS,
DR. ALEXANDER S. WAISS,
THEODORE D. WAISS,
JOHN BRODY,
JOSEPH P. WILLIAMS, AND
H. B. BYRNE.
G. D. FELDNER,
J. L. HERWIG,
G. S. ORME,
W. H. ROGERS,
W. L. SAXON,
J. B. SINNOTT,
R. S. MOORE,
FRANK DAMERON,
J. P. WILLIAMS,
Per J. F. PIERSON, *Att'y.*
FIDELITY & DEPOSIT COMPANY OF MD.,
By P. M. MILNER, *Local Director.*

Attest:

(Signed) CHAS. H. BLACK & CO.,
General Agents,
[SEAL.] By J. E. WARNER.

Rule for Contempt.

Entered on the Minutes of & filed March 13th, 1899.

520 Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION CO. OF La., Ltd. } No. 56658.

On motion of the State of Louisiana, herein represented by M. J. Cunningham, attorney general, and Frank E. Rainold and Stifft & Madison, associate counsel, and on suggesting to the court that mover has been informed that the defendant company, and especially its officers, J. P. Williams, secretary, and Walter H. Rogers, president, have violated the writ of injunction issued herein by paying to B. P. Horton, on March 11th, 1899, the surrender value of debenture No. 14639, amounting to $26.00;

That said act was done in defiance of the orders of this honorable court and *if* the injunction issued herein and is a contempt of the authority of this honorable court:

It is ordered that said J. P. Williams and Walter H. Rogers, secretary and president of said N. O. Redemption Debenture Company of La., Ltd., and said N. O. Redemption Debenture Company show cause on 17th day of March, 1899, why they should not be punished for said violation of said writ of injunction and for the contempt committed against the dignity and authority of this honorable court.

Service accepted.
(Signed) W. H. ROGERS.
(Signed) J. P. WILLIAMS,
By his attorney, W. H. ROGERS.

Exception to Jurisdiction of the Court.

Filed March 14th, 1899.

521 Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE *and* REDEMPTION Co. of La., Ltd. } No. 56658.

And now comes Walter H. Rogers, president, and Joseph P. Williams, sec'ty, for the defendant company, in the above cause, and for exception to the rule against them as for contempt filed on behalf of the State aver and say:

That the court here is without jurisdiction over the subject-matter involved in said rule for the reason that the said cause was suspensively appealed to the supreme court of Louisiana on May 10th,

1899, and that said matters are now pending therein on the two suspensive appeals taken therefrom.

Wherefore these defendants pray that this exception to the jurisdiction of the court has been sustained, and that they be hence dismissed with their costs.

(Signed) J. F. PIERSON, *Att'y.*

Exception to Jurisdiction Overruled as Entered on Minutes of March 16, 1899.

Civil District Court, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE *and* REDEMPTION Co. of La., Ltd. } No. 56658.

The defendant's exception to the rule for contempt herein
522 taken by plaintiff having been submitted to the court by consent of all parties, and the court considering the law to be with plaintiff and against defendant, and for the reasons orally assigned, in open court, on this day—

It is ordered that defendant's exception to the jurisdiction of the court be overruled, at its costs.

Order: Rule for Contempt Continued Indefinitely.

Extract from the Minutes of Division "C."

FRIDAY, *March* 17, 1899.

Present: Honorable F. A. Monroe, judge.

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION Company of Louisiana, Limited. } No. 56658.

Considering the restraining order of the honorable the supreme court of the State of Louisiana, and in obedience thereto, the court orders that the rule for contempt in this case fixed for hearing on this day be continued indefinitely.

Certificate.

STATE OF LOUISIANA:

Civil District Court for the Parish of Orleans.

I, James C. Peyton, deputy clerk of the civil district court for the parish of Orleans, do hereby certify that the foregoing four hundred and thirty-four (434) pages, together with the original docu-
523 ments and the bound book marked "D 8," thereto annexed, as per agreement of counsel for all parties, to be found fol-

lowing this certificate, and together with the documents and books made part and filed with and as part of the bills of exceptions reserved and taken by the defendant, and also annexed thereto, do contain a true, correct, and complete transcript of all the proceedings had, evidence adduced, testimony heard, and documents filed in the suit wherein The State of Louisiana is plaintiff and The New Orleans Debenture Redemption Company of Louisiana, Limited, is defendant, instituted in this court under the No. 56658 of the docket.

In testimony whereof I have hereunto set my hand and affixed the impress of the seal of said court, at the city of New Orleans, on this twentieth day of March, in the year of our Lord one thousand eight hundred and ninety-nine, and in the one hundred and twenty-third year of the Independence of the United States of America.

JAS. C. PEYTON,
Deputy Clerk.

Civil District Court for the Parish of Orleans, Division "C."

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION CO. of Louisiana, Ltd. } No. 56658.

It is agreed by the undersigned counsel for The State of Louisiana, appellee, and for The New Orleans Debenture Redemption Company of Louisiana, Limited, appellant, that in compiling the transcript of appeal in this case the clerk shall, and he is hereby,
524 instructed to omit from the transcript all mesne processes (except when specially offered in evidence) and all minute entries referring to continuances of the case, and also the following printed documents and tabulated statements which shall be annexed in their original form to the said transcript of appeal, viz:

1°. Notarial charter of the defendant company, per act of Henry L. Garland, Jr., notary, on September 26th, 1894, offered in evidence by plaintiff, and marked P 1.

2°. Amended charter of said company, per act before A. J. Villere, notary, on July 7th, 1897, offered in evidence by plaintiff, & marked P 2.

3°. Samples of circulars issued by said defendant company and annexed to plaintiff's petition, and marked P 3 and P 4.

4°. Samples of circulars issued by the defendant company, offered in evidence by plaintiff, and marked P 3 to P 20, both inclusive.

5°. Sample copy of debenture and slips annexed thereto, offered in evidence by plaintiff, filed February 1st, 1899, and marked P 32 and P 33.

6°. Receipt and application signed by debenture-holders when purchasing debentures, offered in evidence by plaintiff, filed February 1st, 1899, and marked P 34.

7°. Application signed by persons desiring to obtain debentures prior to March 31st, 1896, offered in evidence by plaintiff, filed February 1st, 1899, and marked P 35.

8°. Statements showing number of debentures in force, months wherein issued, number in force, surrendered value, offered in evidence by plaintiff, filed February 1st, 1899, and marked P 37.

9°. Statement showing monthly instalments received up to January 20th, 1899, apportionment to the several funds, and
525 status of said funds, offered in evidence by plaintiff, filed March 2nd, 1899, and marked P 38.

10°. Tables and tabulated statements marked P 40, P 41, P 42, P 43, & 36, P 44, P 45, P 46, P 47, offered in evidence by plaintiff and filed February 1st, 1899, and March 2nd, 1899.

11°. Note (copy of) issued by company in making loans to debenture-holders, offered in evidence by plaintiff, filed February 1st, 1899, and marked P 48.

12°. Table of calculations for debenture system, offered in evidence by defendant, filed February 7th, 1899, and marked D 1.

13°. Table of calculations for debenture system, offered in evidence by defendant, filed February 7th, 1899, and marked D 2.

14°. Statements of payment of debentures, without lapses or surrenders, offered in evidence by defendant, filed February 7th, 1899, and marked D 3 and D 4.

15°. Calculation showing liquidation with lapse ratio of two per cent. and no new business, offered in evidence by defendant, filed February 7th, 1899, and marked D 6 & D 5.

16°. Calculation showing disposition of business on book with mean average for four and a half years as basis of new business, but no lapse, offered in evidence by defendant, filed February 7th, 1899, and marked D 7.

17°. Calculation and table of withdrawals to the extent of one per cent. per month, etc., offered in evidence by defendant, filed February 7th, 1899, and marked D 8.

18°. Insurance year book for the year 1894, annexed to defendant's bill of exception.

19°. Certificate of stock (copy of) issued to J. P. Williams, offered in evidence by plaintiff and filed January 31st, 1899.

526 20°. Bond (copy of), Middlesex Banking Company, annexed to defendant's bill of exception, and filed February 7th, 1899.

21°. Tabulated statement of New Orleans Debenture Redemption Company, Ltd., offered in evidence by defendant, filed February 7th, 1899, and marked D 5 & D 6.

22°. Statement of calculations and extract from book used in connection with testimony of J. P. Williams, offered in evidence by plaintiff, filed January 31, 1899, and marked "P 36," "P 40 & 41."

FRANK E. RAINOLD,
Att'y for Receiver and for State of Louisiana.
J. F. PIERSON,
Att'y for Def't Co.

527 *Proceedings Had in the Supreme Court of the State of Louisiana.*

In the Matter of THE STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited. } No. 13116.

Transcript of appeal filed March 20th, 1899.
(Signed) PAUL E. MORTIMER,
Deputy Clerk.

Motion to Dismiss.

Filed March 24th, 1899.

Supreme Court of Louisiana.

STATE
vs.
NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Ltd. } No. 13116.

Now comes M. J. Cunningham, attorney general, and F. E. Rainold and Stifft & Madison, attorneys for plaintiff and appellee, and respectfully move to dismiss the appeal herein taken by Henry B. Byrne and others, as stockholders and members composing the defendant company, on the grounds:

First. That said appellants are fully represented in and by the defendant company.

Second. The prayer asked for on appeal, not only from the final judgment, but from all interlocutory orders and proceedings, including the preliminary injunction from which no appeal is allowed.

Third. The petition does not disclose or aver an irreparable injury, it is feared, might result from any interlocutory order, nor does it disclose or aver any application for relief from any improper interlocutory order or decree by a motion to dissolve or otherwise, nor any failure of the court below to grant such relief as appellants claim to be entitled to, and the trial judge understood the
528 appeal asked for to apply only to the final judgment, and intended to grant no other.

Wherefore we respectfully move and pray that said appeal be dismissed.

(Signed) M. J. CUNNINGHAM,
Attorney General.
Do. FRANK E. RAINOLD,
Do. STIFFT & MADISON,
Of Counsel.

(Endorsed:) No. 13116. Supreme court of La. State *vs.* New Orleans Debenture Redemption Co. of La., Ltd. Motion to dismiss appeal. Filed March 24, '99. (Signed) T. McC. Hyman, clerk.

Motion and Order to Set Cause for Hearing.

Supreme Court of Louisiana.

STATE
vs.
NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Ltd. } No. 13116.

On motion of M. J. Cunningham and F. E. Rainold and Stifft & Madison, attorneys for plaintiff and appellee, and upon suggesting that this is a very important case, involving the same question as is involved in five or six other cases which have been appealed or will soon be appealed to this court, and in a large number of others whose final settlement may be affected by the questions decided in this case; that the record is voluminous; that there are a great many questions to be discussed; that at least two counsel on each side wish to argue the case; that a considerable extension of time will be necessary in order to enable them to do the case justice—

It is ordered that this case be fixed for argument on Friday the 7th day of April, 1899, and that counsel for appellants be notified.

(Endorsed:) No. 13116. Supreme court of La. State *vs.* New Orleans Debenture Redemption Co. of La., Ltd. Motion to fix case for argument. Entered and filed March 24, 1899. (Signed) T. McC. Hyman, clerk.

529 *Motion and Order to Revoke Assignment of Cause for Hearing.*

(Extract from Minutes.)

NEW ORLEANS, SATURDAY, *March 25th*, 1899.

The court was duly opened pursuant to adjournment.

Present: Their honors Francis T. Nicholls, chief justice; Lynn B. Watkins, Joseph A. Breaux, Newton C. Blanchard, Frank A. Monroe, associate justices.

STATE OF LOUISIANA
vs.
NEW ORLEANS DEBENTURE REDEMPTION COMPANY OF Louisiana, Limited. } No. 13116.

On motion of Milton J. Cunningham, Esq., attorney general, and upon suggesting to the court that he has been informed by counsel representing the defendant and appellant that they will be absent from the State on the 7th day of April, A. D. 1899, the day set for the hearing of this case, it is ordered by the court that the assignment of the case for that date be set aside.

Motion and Order to Set Cause for Hearing for May 5th, 1899.

(Extract from Minutes.)

NEW ORLEANS, FRIDAY, *April 21st*, 1899.

The court was duly opened pursuant to adjournment.

Present: Their honors Francis T. Nicholls, chief justice; Lynn B. Watkins, Joseph A. Breaux, Newton C. Blanchard, Frank A. Monroe, associate justices.

In the Matter of THE STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited. } No. 13116.

On motion of M. J. Cunningham, attorney general, and of Frank E. Rainold and Stifft & Madison, associate counsel, and on suggesting to the court that this case, under the revised statutes, should be fixed by preference, it is ordered by the court that the case be set down for argument on Friday, the 5th day of May, 1899, at 11 o'clock a. m.

530 *Continuance.*

(Extract from the Minutes.)

NEW ORLEANS, FRIDAY, *May 5th*, 1899.

The court was duly opened pursuant to adjournment.

Present: Their honors Francis T. Nicholls, chief justice; Lynn B. Watkins, Joseph A. Breaux, Newton C. Blanchard, Frank A. Monroe, associate justices.

* * * * * * *

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION CO. OF Louisiana, Ltd. } No. 13116.

* * * * * * *

These six cases, taken up together by agreement of counsel for the respective parties for the purpose of trial, came on this day to be heard and were argued by counsel. Mr. Milton J. Cunningham, attorney general, opened for The State, plaintiff and appellee, and occupied the attention of the court until the hour of adjournment, 3 o'clock p. m., when the court ordered the cases to be continued until tomorrow, Saturday, the 6th day of May instant, for resumption of argument.

Continuance.

(Extract from the Minutes.)

NEW ORLEANS, SATURDAY, *May 6th*, 1899.

The court was duly opened pursuant to adjournment.
Present: Their honors Francis T. Nicholls, chief justice; Lynn B. Watkins, Joseph A. Breaux, Frank A. Monroe, associate justices. Absent: Newton C. Blanchard, associate justice.

* * * * * * *

In the Matter of THE STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited. } No. 13116.

When these cases, continued from yesterday, Friday, the 5th day of May instant, came on this day further to be heard Mr. Frank E. Rainold, of counsel for The State, plaintiff and appellee, an-
531 nounced that Mr. Milton J. Cunningham, attorney general, could not attend court today, being confined to his bed by illness. Whereupon the court ordered the cases to be continued to Monday, the 15th day of May instant, at 11 o'clock a. m.

Continuance.

(Extract from the Minutes.)

NEW ORLEANS, MONDAY, *May* 15, 1899.

The court was duly opened pursuant to adjournment.
Present: Their honors Francis T. Nicholls, chief justice; Lynn B. Watkins, Joseph A. Breaux, Newton C. Blanchard, Frank A. Monroe, associate justices.

* * * * * * *

In the Matter of THE STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited. } No. 13116.

* * * * * * *

The trial of these six cases, continued from Saturday, the 6th day of May instant, was this day resumed, and, having heard further argument from Mr. Milton J. Cunningham, attorney general, on behalf of The State, plaintiff and appellee, the court ordered the cases to be continued until tomorrow, Tuesday, the 16th day of May instant, at 11 o'clock a. m., for resumption of argument.

Continuance.

(Extract from the Minutes.)

NEW ORLEANS, MONDAY, *May 16th*, 1899.

The court was duly opened pursuant to adjournment.

Present: Their honors Francis T. Nicholls, chief justice; Lynn B. Watkins, Joseph A. Breaux, Newton C. Blanchard, Frank A. Monroe, associate justices.

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In the Matter of THE STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited. } No. 13116.

The trial of these six cases, continued from Monday, the 15th day of May instant, was this day resumed, and, having heard
532 argument from Mr. Milton J. Cunningham, attorney general, on behalf of The State of Louisiana, plaintiff and appellee, followed by Mr. Ernest T. Florence, of counsel for The Columbia Debenture Company, Limited, defendant and appellant, and by Mr. Walter H. Rogers, of counsel for The New Orleans Debenture Redemption Company of Louisiana, Limited, The United Debenture Redemption Company of Louisiana, Limited, and The Debenture Guarantee and Loan Company, Limited, defendants and appellants, the court ordered the cases to be continued until tomorrow, Wednesday, the 17th day of May instant, at 11 o'clock a. m., for further argument.

Continuance.

(Extract from the Minutes.)

NEW ORLEANS, WEDNESDAY, *May 17th*, 1899.

The court was duly opened pursuant to adjournment.

Present: Their honors Francis T. Nicholls, chief justice; Lynn B. Watkins, Joseph A. Breaux, Newton C. Blanchard, Frank A. Monroe, associate justices.

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STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Ltd. } No. 13116.

* * * * * * *

The trial of these six cases, continued from yesterday, Tuesday, the 16th day of May instant, was this day resumed, and, having heard argument from Mr. Charles Rosen, of counsel for The People's Debenture Company, Limited, defendant and appellant; from Mr. Hugh S. Suthon, followed by Mr. Charles J. Theard, of counsel for The Louisiana Debenture Company, Limited, defendant and appel-

lant; from Mr. James F. Pierson, of counsel for The New Orleans Debenture Redemption Company of Louisiana, Limited, defendant and appellant, and from Mr. Frank E. Rainold, on behalf of The State of Louisiana, plaintiff and appellee, and for August M. Benedict, claiming to be appointed liquidator, appellant, the court ordered the cases to be continued until tomorrow, Thursday, the 18th day of May instant, at 11 o'clock a. m., for further argument. On behalf of Charles R. Kennedy and Emile H. Reynes, receivers,
Mr. Lamar C. Quintero, of counsel, submitted the case of The
533 State of Louisiana *vs.* The Louisiana Debenture Company, Limited, No. 13105.

Cause Submitted.

(Extract from the Minutes.)

NEW ORLEANS, THURSDAY, *May* 18*th*, 1899.

The court was duly opened pursuant to adjournment.

Present: Their honors Francis T. Nicholls, chief justice; Lynn B. Watkins, Joseph A. Breaux, Newton C. Blanchard, Frank A. Monroe, associate justices.

* * * * * * *

In the Matter of THE STATE OF LOUISIANA *vs.* THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited.	No. 13116.

* * * * * * *

The trial of these six cases, continued from yesterday, Wednesday, the 17th day of May, instant, was this day resumed, and having heard further argument from Mr. Frank E. Rainold on behalf of The State of Louisiana, plaintiff and appellee, and August M. Benedict, claiming to be appointed liquidator, appellant, followed by Mr. Milton J. Cunningham, attorney general, on behalf of the State of Louisiana, plaintiff and appellee, the court took the cases under advisement upon the briefs and papers now on file.

Opinion of the Court.

UNITED STATES OF AMERICA,
State of Louisiana.

Supreme Court of the State of Louisiana.

NEW ORLEANS, THURSDAY, *June* 22, 1899.

The court was duly opened pursuant to adjournment.

Present: Their honors Francis T. Nicholls, chief justice; Lynn B. Watkins, Joseph A. Breaux, Newton C. Blanchard, Frank A. Monroe, associate justices.

His honor Mr. Justice Breaux pronounced the opinion and judgment of the court in the following case:

534 THE STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY, Ltd. No. 13116.

Appeal from the civil district court, parish of Orleans.

This action was brought by the State of Louisiana, through the attorney general, against the New Orleans Debenture Company, its officers, stockholders, and members, to set aside the charter of defendant company, liquidate its affairs, and enjoin defendant's operations as a debenture company.

Plaintiff's grounds are:

That the company is not legally organized; that it carries on no business; that it is a debenture company with little capital formed to sell its debentures or borrow money on its debentures; that the company obligates itself to pay 50 % upon the amount paid by the subscribers at times set forth in the charter; that it assumes to declare lapsed or forfeited its own debentures; that upon the basis organized it must fail; that the franchise the company claims is exercised without proper sanction.

Plaintiff alleges that the defendant issued shares to the amount of fifty thousand dollars, on which the subscribers paid only 5 %; that the subscribers or their assigns gave their promissory notes to the company for 95 % of their subscriptions, and the company then loaned to the subscribers or their assigns the amount of their promissory notes from the reserve fund of the company, the reserve fund being part of the moneys derived from debentures; that thereupon the subscribers or their assigns gave money paid to them from the reserve fund back to the company and shares of stock were issued to them as fully paid.

Exception.

The defendant interposed a peremptory exception to the plaintiff's action, averring that the proper parties are not before the court; that plaintiff's petition discloses no cause of action, and that the action is inconsistent.

535 The judge of the district court overruled the exception, holding in substance the right to be a corporation cannot be exercised without the sanction of the legislature, and the State can bring about a judicial inquiry if it be shown that the franchise is being exercised without grant; that the State can put an end to the exercise, and, in the second place, that as relates to proper parties the district court decided the defendant cannot question the authority of the agent named in its charter to represent the company in all its suits. The suit is brought against the president, who is authorized to represent the defendants in the present action; that the State has naught to do with debenture-holders, and there is no necessity to make them parties; that the action was against the defendant to ascertain whether the defendant company was using its franchise without authority; that plaintiff's petition sets out a cause of action and is not contradictory.

Answer.

The exception having been overruled, the defendant filed an answer in which it denied that it issued capital stock as alleged by the plaintiff. It denied all of plaintiff's allegations, save those specially admitted.

The defendant in its answer alleged specially that it is a duly organized corporation under statute 36 of 1888, and that its incorporation dates from September 24th, 1894; that it was organized for the pursuit of the purposes declared in its charter; that the subscribers paid to their shares; that its debenture-holders did not complain; on the contrary, they ask that the term of their contract with the company be carried out as agreed upon.

Defendant specially denies the charge set forth by plaintiff that this contract is only a transaction or wager. It denies that it has entered into a contract, dealing, or transaction embracing any element of chance not included in any ordinary contract or transaction.

This closes our review of the pleadings.

The evidence discloses the following facts:

The company was organized on the day it alleges that it was organized. One hundred thousand dollars was the amount of the stock to be issued as provided in the charter, divided into one thousand shares of one hundred dollars each, payable in
536 installments as the board of directors determined. 50% of the capital stock was the amount fixed with which to commence business, and no stock was to be issued before the amount of the *subscription had been paid.* (Italics ours.) The first call on the subscribers for their subscription was made in Sept., 1894. It was left optional to pay 10% cash or 5% on a demand note. $2,650 was paid in cash and the balance was paid in notes (save $150 which was paid in cash), which was subsequently paid by crediting the borrowers with dividends, making altogether about 10% paid, in manner above indicated, of the amount of the subscription.

Subsequently, by resolution, the loans were made to the shareholders of the reserve fund of "an amount not exceeding 90% of the face value of the stock held by him upon the borrower executing a pledge note, payable on demand, bearing interest at the rate of 6% *per annum*, payable every ninety days, and secured by the borrower's stock." The following is a copy of one of the resolutions adopted by the board of directors: "The president is hereby authorized and instructed to loan from the reserve fund to any stockholder an amount not exceeding ninety per cent. of the face value of the stock held by him upon his executing a pledge note, payable on demand, bearing interest at the rate of six per cent. *per annum*, payable every ninety days, to which must be attached as collateral security for the payment of said note the said stock held by him, together with the full power of attorney of any transfer or assignment thereof, it being a part of the obligation that all dividends declared on said stock to be payable to the redemption of the interest and principal due on said note."

The object in passing this resolution was to assist some of the shareholders in complying with the requirement of the company.

In other words, the subscriber was permitted to borrow 85% of the face value of the stock from the company. The resolution authorized the loan of 90%, but it appears that the real percentage was eighty-five, because there had been a dividend of 5% declared from the earnings of the expense fund, and the subscribers were not given an opportunity of borrowing on shares paid up.

There were twenty-eight stockholders holding five hundred shares. Of the number *of* twenty-one, holding four hundred and twenty shares of the entire stock, availed themselves of the
537 privilege of borrowing from the company. Stockholders who did not borrow paid up their subscriptions in full—that is, $6,800.

Now, with reference to the purpose of the company. It announced in its charter that its purpose was to provide for the investment of small sums of money by the issue of debentures, payable at fixed dates, with profit, and thus of assisting investors in becoming owners of houses and other property.

The following appears to have been its method of business:

The debentures issued stipulated that in consideration of the payment of two dollars in advance and of the monthly payment of two dollars on or before the first of each month until the payment of seventy-two installments (amounting in all to one hundred and forty-four dollars) defendant company would pay, six years from its date (unless sooner redeemed at the option of the company), the sum of two hundred and sixteen dollars. It was further stipulated on the face of the debentures if its holder failed to pay on or before the fifth of each month his policy lapsed and prior payments were forfeited and inured to the company.

In another clause of the charter provision was made entitling the holder of a debenture, if he paid seven months' installment, to receive a return of 50% of the monthly installment paid, if for any reason he chose to close with the company and discontinue his investment.

The debentures were to be numbered and redeemed in numerical order from month to month.

The following was the manner of distributing the amount received from the debenture-holders:

65% went into a fund known as the debenture fund, which was used for the redemption of debentures each month; 25% of the amount was placed in the reserve fund for investment. In addition, the company had a revenue from lapses and forfeitures and small amounts from fines and fees for reinstating the holders of debentures who had not paid up in accordance with the charter.

The district court decree that the charter was a nullity; that the president, secretary, general manager, and other officers and members of the company are without legal authority and make the injunction sued for peremptory.

538 From this judgment the defendants appeal.

1st. The defendant, by way of exception, in the first place,

charges that plaintiff's petition contains contradictory allegations that it alleges that the company exists, and immediately after, in the petition, it denies that it has any legal existence.

We are not impressed by this plea of inconsistency. Defendant's position is not sustained by the terms of the petition nor by the prayer whereby plaintiff seeks to enjoin defendant from acting as a corporation and from doing any business under its charter, and in the alternative plaintiff asks that *if* it should be held that the organization of the company was authorized, then, for stated reasons in the petition, that its charter be forfeited.

There was no contrary demand. The exception to dismiss on the ground that the demands were contradictory was overruled by the lower court. We have not discovered error in the ruling. Schmitt vs. Drouet and Rabassa, 42 Ann., 716.

Plaintiff having alleged that defendant was operating under an invalid charter, defendant insists that it cannot be brought into court as a representative of an incorporated body because of this averment.

The State of Louisiana brought this suit, as we read the petition, to enjoin defendant from operating under a plan which the State avers is not consonant with public policy.

We take it the State has a *locus standi* in court to urge that the president, secretary, and other officers of the company should not continue in certain operations, and that upon proper showing the State may obtain a judgment to perpetually enjoin these defendants in whatever capacity or under whatever charter it may be operating. If these defendants are operating without a corporate character, the greater is the right of the State to an injunction.

"The attorney general is authorized to bring a suit when any one unlawfully exercises a franchise or when an association shall act as a corporation without being duly incorporated; and he is also authorized to obtain a forfeiture of charters in cases of violations where no provision has been made by law for the forfeiture of the charters; and, lastly, he is authorized to institute all suits he
539 may deem necessary for the protection of the interests and rights of the State."

Statute 65 of 1884.

The defendant also objects to the suit on the ground that the proper parties are not before the court, and contends that the action should have been brought against the stockholders personally.

The stockholders, under the terms of their charter, delegated to the officers named as defendants here the power to represent the corporation in so far as they were concerned.

These officers were acting under the color of right. This, under the statute, we think, is enough to hold them bound to stand in defense of the suit brought.

Provision for citing associations or number of persons acting within the State as a corporation, without being incorporated, is inserted in the statutes, R. S., 2593, 2595.

Moreover, the usurpation of a corporation franchise, if there was usurpation, is a matter between the State and the company, and the State is entitled to an injunction against defendant to restrain it from doing business if there is cause.

A citation lies against the body.

A corporation is defined as a legal person with a special name and composed of such members and endowed with such powers and such only as the law prescribes.

Now, contradictorily with its president, the State can prove that it is not entitled to a special name; that it is not composed of the members it claims, and that it is not endowed with such powers as the law prescribes, or that it has forfeited and lost its right to carry on business or to transact at all.

The averment of nullity of the charter by plaintiff is not as broad and far-reaching as defendant contends. It is an alternative averment, and, if not alternative, no good reason suggests itself why the president should not answer a petition charging that his charter is a nullity.

There is here no question of personal responsibility of the stockholders, and therefore no necessity arises for citing them. If we are in error in this, sustaining defendant's ground would not go to the dismissal of the suit. The only judgment that could be
540 rendered would be a judgment remanding the case to the lower court in order that all the stockholders might be made parties to the suit.

2nd. We pass to the first ground of attack on the part of the State, to wit, that the shareholders did not comply with the law in giving notes for the amount of their subscription.

The charter contains this provision: "No stock shall be issued nor certificate given therefor until the amount subscribed for shall have been paid."

In its circular the company announced that the capital *paid up* on its stock was *fifty thousand dollars*. We have noted that the shareholders did not pay all their shares, but issued their notes for the amount. (Italics ours.)

Mr. Thompson, in his commentaries on the Law of Corporations, sec. 1319, says that a promise to pay (for the shares for which the promissor subscribes), evidenced by note, is not a payment nor a sufficient compliance with the statute which *requires payment in cash* in accordance with the terms of the charter. Here the charter *required payment in cash*, and everything announced that business was conducted on the basis of a capital of fifty thousand dollars paid up. (Italics ours.)

We have not found that the decision cited by appellant has application here. 12 Pac. Rep., 49, Trust *vs.* Dorsey.

In the first place, the action in the cited case was based on a promissory note, and the contention of the maker of the note was that the contract, in execution of which the note was given, was against public policy and prohibited by law, and so the note was void. In fine, the maker sought to escape from paying his own note by pleading that his own act was against public policy.

In the second place, Mr. Thompson clearly differences the class of cases in which the charter does not contain provision for paying *shares cash* and those in which it is declared in the charter that the stock *must be paid cash*.

When a corporation sets forth in its charter that all certificates of stock have been issued and cash received therefor, and notifies the public that it is operating upon paid-up stock to the amount of fifty thousand dollars, the note of the shareholder is not paid-up capital, which those dealing with the company have a right to expect under the plain terms of the article of the constitution cited.

541 "Giving a promissory note for the sum which a charter requires to be paid in money is not a compliance with law. If such notes were to be taken as money, the policy of the law which requires a payment of money might be easily defeated," said the supreme court of Pennsylvania in a similar case. Leightly *vs.* Company, 14 Sarg., 435.

In Boyd *vs.* Peach Bottom R. Co., 90 Pa. S. T., 169, the court *inter alia* said: "The language is plain and emphatic and the manifest object of the requirement was to protect the public against fictitious corporations, with capital stock subscribed perhaps by irresponsible persons and not a dollar thereof paid or intended to be paid.

"Giving a note for the amount was not payment within the meaning of the law."

We quote from Thompson on "Corporations," sec. 1219: "It was held that for the railroad company to take as cash the notes of individuals made for the occasion to enable the officers to make the certificate under a promise that such notes were not to be enforced was immoral and 'against public policy.'"

We have naught to do with the harsh language; we only quote it because it, in our view, sustains a principle.

In the case before us the subscription had been declared paid. This was announced both to the Government and the public. It had *not been paid*. The loan was *not payment* within the intendment of the act. The delivery of shares as collateral security did not add seriousness to the act. The security of the company consisted in the amount of cash it published as having been paid and of the certificate of shares in the hands of stockholders and not of shares deposited in lieu of capital due.

3d. Defendant, through counsel, filed elaborate briefs on other points. We do not think the company has been legally organized, and we might have stopped after reaching that conclusion.

Other points having been pressed upon us, we gave them our careful attention.

In defendant's brief it is stated that no definite period is fixed by the charter for the maturity of the debentures. The original charter fixed the period at the period of the maturity of the debentures at six years from the date of its issue. The company has always

542 since issued debentures to be redeemed in six years. In 1897, by an amendment of the charter, the time for payment of debentures was not fixed, and defendant insists that for that reason the period fixed in the original charter has been repealed.

Granted for the moment that the time for redeeming the debentures is not limited to six years, many years, on defendant's theory, would have to elapse before it would be possible to meet the company's indebtedness.

To illustrate, let us suppose that one purchases a debenture for one hundred dollars. Of this sixty-five dollars are used in liquidating other debentures maturing at a prior date. On this amount (to wit, $65), observe that the buyer must lose all interest. He is not to be benefitted.

Twenty-five dollars is held in reserve.

It is classified as the "reserve fund."

Ten dollars are used to meet the expenses of the company. It would be a marvelous state of affairs if the twenty-five dollars reserve fund were to yield enough in less time than many, many years to meet the promises of the company.

Defendant argues: If this reserve fund can be reinvested annually at 6%, that in course of years it will be greater in amount than the par value of the outstanding debentures of the company.

We take the illustration suggested by the defendant in the brief and assume that one pays one dollar to the company in order to receive from it one dollar and fifty cents in return. The company takes ten cents for expenses, twenty-five cents becomes part of the reserve fund, and it takes sixty-five cents to redeem debentures of a prior date. The company, it is contended, is indebted in the sum of eighty-five cents. To pay this it has twenty-five cents and the interest it produces. Six per cent. compound interest on twenty-five cents would produce sixty cents in fifteen years (with capital making eighty-five cents).

This assumes that during these many years investors will present themselves and buy debentures with the hope that in fifteen years the amount of profit promised will be paid. If investors do
543 not present themselves after a few years, then the twenty-five cents would have to produce one dollar and twenty-five cents (that is, if we include as unpaid the sixty-five cents, known as the redemption item), and that would take in time more than twice the number of years before stated. The plan considered from that point of view is entirely out of the question. It is not feasible.

We have taken up this line only to follow one of the arguments of the brief, but we are confident that it was never the intention to carry on the business on the fifteen or twenty-one year plan.

All indicates that six years was the time fixed by all parties concerned, and that no one contemplated a longer time than six years to meet all the indebtedness of the company. It will take only a moment to determine that this (*i. e.*, on a limit of six years) is less feasible than the plan we have just considered (*i. e.*, the 15 or 21 years plan).

The evidence informs us that the amount paid by the debentureholder is two dollars a month until the sum of one hundred and forty-four dollars is paid—that is, on payment of seventy-two monthly installments of two dollars each.

The defendant has the use of the whole amount only for three

years and not for six years, as the amount is received monthly in seventy two instalments.

Compound interest at six per cent. (a rate of interest suggested by defendant) would amount on $144 to $27.50, a comparatively small amount with which to pay 50 % profit, besides the capital paid by the debenture-buyer to the company.

It is evident that interest on the 25 % of monthly installments falls short of the company's indebtedness to the debenture-holder. A time must come in the six years when the debenture-holder will be a loser. From this standpoint success is an absolute impossibility.

The company has another source of revenue—the "lapses and surrenders." They are as follows: It appears that the debenture-holder who neglects or is unwilling to pay the monthly installment prior to the expiration of seven months after his purchase loses the whole amount paid in, but those who fail to pay after the expiration of the seven months are entitled to a return of fifty per
544 cent. on the amount they paid to the company. This is the surrender value of the debenture.

Counsel for defendant state that it is error to assert or to assume that the system of debentures is based upon "lapses and surrenders;" that, on the contrary, all calculation is based upon the power of working out the theoretical soundness of the system without regard to "lapses and surrenders."

The secretary of the company, who is, the record informs us, an actuary (or has given the subject considerable attention), as a witness is not, as we take it, in accord with the foregoing views.

He was asked in the district court by the learned judge presiding, while testifying, "to assume that a given number of debenture-holders stood by their contract and paid all installments on their debentures, would the company, from the money thus paid in by the debenture-holders, be able to redeem the debentures and pay 50 % profit to the investors upon the maturity of the debentures at the end of six years?"

His answer was, "*No.*"

His opinion was that by carrying the calculation on any given number of debentures to twenty-one years, that all the debentures would be paid from the interest on the 25 % reserve fund, and this without taking into account the "lapses;" but without the "lapses" it was not possible to pay the debentures at the end of six years.

He fixed the rates of lapses and surrenders needful to pay the debentures at the end of six years at eighteen per cent. per annum. At that rate we think lapses and surrenders would not be a mere incident, but they would become a principal object with the corporation, which, we are informed by counsel, never was the intention.

If the chances of loss were as great as 18 %, the venture would trench on chance and would be against laws enacted to prohibit aleatory operations. An absolute loss of 18 % (that is, 18 % annually for three years, equal to 54 %, or 18 % annually for six

years equals twice the amount) would be too large an amount to be considered legal or reasonable.

Some reference was made by defendant's counsel to the life-insurance plan and more particularly to the mutual and tontine plan.

In our view, any plan of insurance resting for its existence
545 upon so great a loss as that just indicated would have the appearance of chance operation and would scarcely be fair to all the policy-holders.

An account is given of a company in Europe organized some years ago on the tontine plan. It operated on extravagant estimate or mortality of the subscribers. In a short time it was proven that the company, in order to carry out its promises, would have, at the expiration of three years, to remain with only twelve survivors on one hundred policy-holders—an impossibility, it was found, unless in the event of a considerable epidemic. That company had to close its doors.

But to return to the plan of the defendant company here. It proposes to redeem the debentures issued in numerical order after six months from the date of first issue of debentures. At the end of six years the company positively promises to pay. The first debentures issued, it is evident, will be paid, but afterward, unless the company is favored with an ever-increasing number of debenture-buyers, "new blood," the holders of debentures will surely meet with loss. They will receive nothing. All calculations based on payment in six years show that loss in inevitable unless "lapses and forfeitures" are to be considered as factors of revenue to an extent for which the defendant itself does not contend.

The evidence discloses that the debenture company has in force about 11,000 debentures.

A calculation showing a liquidation with a lapse of 18% (and no new business) shows "lapses and surrenders" as being 5,913.

This is an impossibility upon its face. If it be not impossible, such losses—that is, a loss growing out of "lapses" of 5,970 debentures out of 11,000 debentures, brought on by any enterprise—is not in accordance with public policy.

This, however, is not the position of the defendant company. It places reliance on the "interest account" exclusively, which, we have found, does not produce enough to meet the liability of the company, but much less.

The defendant company has been favored with business. It has had a large number of buyers of its debentures, and yet in the fifth year of its existence it is evident that its assets are much less than its liability.

546 We think that the management was good enough; none the less it has fallen behind, all, we believe, because the plan is not feasible.

Defendant insists that it is. If there is lurking somewhere in the plan of this corporation something that may in the end prove beneficial to the shareholders, officers, or customers, or something that

may prove favorable to the policy of the State, we are unable to find it.

The defendant further insists that the business of a debenture redemption company, specified in statute 171 of 1898, is not an illegal business, for the reason that it is expressly recognized by the revenue statute as among the trades, professions, and callings in this State.

We think it answer enough to hold that the courts have jurisdiction to consider and pass upon questions growing out of the business of corporations when the issues are of such a character as presented in the case before us. If the object and purposes are not feasible, or if they are not in accordance with the policy of the State, the fact that a license has been issued to a corporation cannot operate as an estoppel to the extent that its illegal operations may not be inquired into. The purpose must be in accordance with the laws of the State; if it be not consistent with the laws, no license can operate as a bar to a judgment decreeing the illegality.

We have carefully examined the tabulated statements of the company, the actuary computations, and the different proportions, none leading, as we think, to a safe and satisfactory result, when six years is taken as a limit of operations. The fact is that there is in all the operations of the company no reproduction, no sufficient adding on a safe basis to the assets.

Some one has truly said, "Natu[illegible]erpetuates itself by reproduction"—an example it would be well never to forget.

For the reasons assigned the judgment appealed from is affirmed.

Monroe, J., recused.

Final Judgment.

(Extract from the Minutes.)

NEW ORLEANS, THURSDAY, *June 22nd*, 1899.

The court was duly opened pursuant to adjournment.

547 Present: Their honors Francis T. Nicholls, chief justice; Lynn B. Watkins, Joseph A. Breaux, Newton C. Blanchard, Frank A. Monroe, associate justices.

His honor Mr. Justice Breaux pronounced the opinion and judgment of the court in the following case:

THE STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY, LIMITED. } No. 13116.

On appeal from the civil district court for the parish of Orleans.

For the reasons assigned the judgment appealed from is affirmed. (Monroe, J., recused.)

Waiver of Delays by Plaintiff.

Supreme Court of Louisiana.

STATE
vs.
NEW ORLEANS DEBENTURE REDEMPTION COMPANY, LIMITED, OF LOUISIANA. } No. 13116.

In compliance with the request of the court the State of Louisiana, through its attorney general, hereby waives delays for rehearing.

(Signed) M. J. CUNNINGHAM, *Att'y Gen'l.*
Do. FRANK E. RAINOLD.
Do. STIFFT & MADISON, *Of Counsel.*

N. O., June 24, '99.

Copy served on opposite counsel.
(Signed) M. J. C.

(Endorsed:) No. 13116. Supreme court of Louisiana. State of La. *vs.* New Orleans Debenture Redemption Co., Ltd., of La. Waiver by pl'ff of delays. Filed June 24, 1899. (Signed) T. McC. Hyman, clerk.

548 *Document Attached to the Foregoing Waiver.*

Supreme Court of Louisiana.

STATE
vs.
NEW ORLEANS DEBENTURE REDEMPTION COMPANY, LIMITED, OF LOUISIANA. } No. 13116.

The court having intimated an intention to change the decree rendered in the case of State *vs.* New Orleans Debenture Redemption Company, we desire to call attention to the fact that the injunction against the New Orleans was issued before final judgment and was perpetuated therein, but in the case of the Louisiana and the People's the injunctions to preserve the status were issued after judgment, and are therefore not perpetuated. No mention of the injunction is made in any of the decrees of this court in the deben-

ture cases. We therefore suggest that if the decree in the New Orleans is remodelled it should be done so as not to disturb that part of the judgment below perpetuating the injunction. We also respectfully call attention to the pendency of applications for certiorari and prohibition by the New Orleans, People's, Columbia, and Louisiana Debenture Companies, which should be disposed of, as they tie the hands of the court below and prevent action in accordance with the decrees recently rendered.

We likewise call attention to the fact that there is some room for contention that the decrees in all the cases, other than the New Orleans, affirms only that portion of the judgments of the lower court forfeiting the charters, while we understand the intention of the court to have been to affirm them in all respects, except in so far as the judges appointed receivers, no other portion of the judgment of the lower court having been reversed.

We therefore suggest that it might be well to make the decrees more specific as to the injunctions and other matters contained in the judgments appealed from or to set the matters at rest in passing upon the application for certiorari and prohibition.

Respectfully submitted.

(Signed) M. J. CUNNINGHAM, *Att'y Gen'l.*
Do. FRANK E. RAINOLD, *Of Counsel.*
STIFFT & MADISON, *Of Counsel.*

549 Copy served on opposite counsel.
(Signed) M. J. C.

Document (Letter from Counsel Representing Defendant Refusing to Waive Delays for Rehearing Attached to Foregoing Letter).

NEW ORLEANS, *June 26th*, 1899.

T. McC. Hyman, Esq., clerk sup. court.

DEAR SIR: Please convey to the court our sincere regrets that we were not able to send you Saturday our reply to the request for a waiver of the delay for application for rehearing in the case mentioned. We deeply regret that we are not able to waive the delay as suggested without violating the wishes and instructions of our clients. Under instructions we find the delays necessary to carry out the wishes of our clients.

With sincere regrets we are
Y'rs truly,

(Signed) J. F. PIERSON,
Do. W. H. ROGERS, *Att'ys.*

Petition for Rehearing.

Filed June 29th, 1899.

Supreme Court of Louisiana.

STATE
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY, Limited, of Louisiana. } No. 13116.

The petition of the State of Louisiana, herein represented by the attorney general, and of August M. Benedic, liquidator, for a rehearing, with respect shows—

That the decree rendered affirmed the judgment of the lower court without specifically mentioning the judgment or order recognizing August M. Benedic as the duly appointed liquidator of the said corporation under and by virtue of a commission issued to him by the governor of this State.

550 That this latter judgment or order was embraced in the appeal taken by all the stockholders of the defendant company, and it would remove all doubts as to the meaning of the decree of this honorable court if the same were amended and the liquidator appointed by the governor were recognized.

Now, your petitioners further show that in this cause there are pending writs of certiorari and prohibition involving the validity of the injunction issued herein by the lower court and the validity and legality of the appointment of August M. Benedic as liquidator by the governor of this State.

That the court has failed to pass upon the issues raised in the manner aforesaid, and that there is error to that extent in the opinion and decree of this honorable court.

It will be readily appreciated that there is no probability to improve the condition of the debenture-holders, and without reflecting upon the management of the defendant company there is every probability that the interest of the debenture-holders will be promoted by the immediate liquidation of the affairs of the defendant company.

The whole question has been presented and elaborately argued in the present proceedings, including the appeal in this case, and the several applications for certiorari and prohibition.

Our position is that section 731 of the Revised Statutes is the only provision in the law for the liquidation of corporations whose charters are forfeited at the suit of the State, and that unequivocally provides that they shall be liquidated by a liquidator appointed by the governor for that purpose.

We understand this to be the position of the court in their decision in the mandamus sued out by the Columbia Debenture Company to compel the judge of division B to allow a suspensive appeal on a bond for costs. At any rate, we think that the public

interest, and particularly that of the debenture-holders, demand that the question be now decided, and that the plain provisions of section 731 of the Revised Statutes should be given the proper force and effect by this court.

Wherefore petitioners pray that the decree to be rendered by this court should affirm both the final judgment and the order
551 recognizing August M. Benedic, the liquidator appointed by the governor, as the proper person to take charge of and administer and distribute the property of defendant corporation, and the writs of certiorari and prohibition taken herein by defendant corporation and its stockholders should be dismissed or vacated.

And as in duty bound your petitioners will ever pray.

(Signed) M. J. CUNNINGHAM, *Att'y Gen'l.*
Do. FRANK E. RAINOLD,
Do. STIFFT & MADISON,
Associate Counsel.

(Endorsed:) No. 13116. Supreme court of Louisiana. State *vs.* New Orleans Debenture Redemption Co., Limited. Petition for rehearing on behalf of State & liquidator. Filed June 28th, 1899. (Signed) Paul E. Mortimer, dep. clerk.

Application for Rehearing.

Supreme Court of Louisiana.

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Ltd. } No. 13116.

Appeal from the civil district court, division "C," Hon. F. A. Monroe, judge.

The petition and application of the defendant company, appellant, and of the individual stockholders, intervenors and appellants herein, with respect pray this court to grant them a rehearing upon the opinion of the court rendered in this cause and for a review of the issues involved on this appeal upon the following grounds and for the following reasons, namely:

First. Appellants are impressed with an abiding conviction that the court, in its opinion rendered, has misconceived to a great extent the issues involved in this appeal, as well as the principal grounds of the defense.

552 A diligent study of the opinion rendered impresses us with the conviction that the court considered the alternative demand in the petition for the forfeiture of the defendant's charter as still being an issue in the cause on the trial of this appeal.

We beg to suggest to the court that the forfeiture of the defendant's charter is not a matter at issue or involved on the trial of this appeal in this court. The judgment appealed from, the reversal of which is demanded by this appeal, decreed the *nullity* of the charter

assailed, but not its *forfeiture*. Indeed, the nullity decreed involves the corporate existence of the body, its legal non-existence as a corporation as well as the non-existence of its charter, and it is not seen how the charter, which is held to be legally non-existent, can be legally *forfeited*. That cannot be forfeited which never existed.

The object of the appeals, both on the part of the defendant company as well as the individual members of the company (who intervened after the judgment was rendered in the lower court for the purpose of appealing from it), were for the purpose of obtaining the reversal of the judgment rendered in the lower court under C. P., 556. There was no judgment of *forfeiture* of the charter rendered in the lower court from which the appellants could take or prosecute an appeal in this court. The appellee, The State, did not file in this court any answer to the appeal or motion to amend the judgment in her favor on the trial of this appeal. It is a settled rule under C. P., 890, as well as the settled jurisprudence of this court in a number of reported cases, that the appeal only brings up for review the judgment and proceedings in the lower court complained of by the appellants. 26 An., 451; 15 An., 434–'5; 48 An., 1234; 49 An., 317, cited page 1 of appellants' brief, filed on the trial.

We are impressed by a careful study of the opinion that the court was greatly influenced in the conclusions and judgment announced by the facts cited and the legal principles discussed in the opinion which relate exclusively to the grounds for the forfeiture of the charter as laid in the petition and amended petition of the State, and which, in our view, were not matters properly brought under consideration on the trial of this appeal, and which do not relate to the nullity of the charter or other matter at issue on this appeal.

553 Acting upon the authorities cited, appellants' counsel has abstained from discussing the grounds for the *forfeiture* of the defendant's charter originally demanded by the State, because we do not concede that such forfeiture is now an issue in this case. We did not discuss the mode or manner of the payment by stockholders for the stock subsequent- issued to them, because that matter relates, by the express provision of article 266 of the constitution of 1898, alone to the forfeiture of the charter and does not involve its nullity. We cannot yet see the pertinency of such facts on this appeal. If the judgment of the lower court, the affirmation of which has been announced by this court, is to stand, then there was no charter legally existing which could be a subject of forfeiture. That judgment can only be sustained or affirmed on the ground of the *nullity* of the charter. It cannot be sustained or affirmed for the *forfeiture* of the charter which it did not decree.

Second. We are also impressed with the conviction that the court did not clearly comprehend the true character of the proceedings of the lower court, especially in reference to writs of injunction issued. We are lead to this conclusion by the opinion in relation to defendant's exception that the company, as a corporate body, is not a proper or competent party to defend a suit, the object of which is to decree its corporate non-existence, and where the court

says "The State of Louisiana brought this suit, as we read this petition, to enjoin defendant from operating on a plan which the State avers is not consonant with public policy." By this we infer that the court rests the ground of its opinion upon this exception upon the right of the State to enjoin the company from acting as a corporation. The exception of the defendant is based on the theory that there is no defendant in the suit brought by the State, and the exception is leveled at the State's suit for a decree to declare the *nullity* of defendant's charter, and not any injunction at all. Indeed there was no injunction in the case at all when the exception was filed and tried in the lower court. The suit was instituted on May 20, 1898, and the original injunction was issued at that date. It was subsequently dissolved and set aside by the court on May 26, 1898, and no other injunction was applied for or issued in the case from that time until the final trial of the case in the lower
554 court. The writ of injunction which was made absolute by the judgment of the lower court appealed from was applied for by the State by a supplemental petition on March 2, 1899, after the case had been finally heard and tried before the court and finally argued and submitted for judgment. Hence at the time the exceptions were taken and filed, as well as at the time they were tried in the lower court, there was no injunction in the case with reference to which they could be construed or determined, and they were filed in direct reference to the demand of the State for a judgment decreeing the nullity of the charter.

Third. In the next place we are impressed that the court in the matter of the defendant's exceptions appears to have been under the impression that the *officers* of the company had been made and cited as defendants in the action. We are led to this impression by the language used in the opinion, wherein the court says: "The stockholders, under the terms of their charter, delegated to the officers named as defendants here the power to represent the corporation in so far as they were concerned. The officers were acting under the color of right. This, under the statute, we think, is enough to hold them bound to stand in defense of the suit brought." We beg to suggest to the court that the company in its corporate capacity alone was made or cited as defendant. Anticipating that some confusion in relation to this matter as to who the defendant in the case really is might arise on the appeal, we filed in evidence in the lower court the original citation with the sheriff's return on it, and have brought it up in the record in order that there could be no mistake as to who the defendant really is or as to what defendant was really cited, and we refer to this citation (Tp.) to show that the defendant company, in its organized and corporate capacity, alone was cited as the defendant here. It is addressed to the defendant company as a distinct person or corporation under paragraph 2 of C. P., 179. It was served by the sheriff under C. P., 198, upon the president of the company. There was but one citation issued or served in the case and but one defendant was brought into court under citation to defend this suit. Who was the party cited? If it was the company, then it was not the president of

the company, for there was but one person cited. Clearly the company as a corporate body was the sole defendant
555 in the case in the lower court, up to the rendition of the final judgment. Upon the trial of the exceptions in the lower court we insisted that the individual members of the company under C. C. 446 should be made and cited as parties defendant to defend the suit. We were unable by these exceptions to have them made parties defendant. In view of the judgment rendered in the lower court declaring the nullity of the charter—the non-existence of the company as a corporate body—there can be little question under C. C. 446 that they are the only real or competent defendants to this action, because the company, under the judgment, as a corporation, is unauthorized by law and cannot appear in a court of justice either to speak for itself or to defend the action in the name of the individual members of the company. If the company is not indeed a corporate body, it cannot act as the agent of any one. It cannot appear in its own name or interests in a court of justice, nor can it appear as the representative of another; neither can we regard either the officers or individual members of the company as in any manner being parties to the suit in the lower court prior to the rendition of the final judgment therein. The court can presume nothing in relation to the citation of parties, and no one can be held cited to answer a demand without a citation addressed to him and served upon him or his agent for him. On this subject the settled rule of law was laid down in this court in the case of Leblanc *vs.* Perroux, 21 An., 27, where the court says:

"It is well settled that a judgment against a party who has neither been cited nor appeared is an absolute nullity; that the court can presume nothing with respect to party being cited; that nothing will cure defect of citation or want of service except appearing and answering to the merits; that the proof of the service of the citation is not a matter *en pais*, and there can be no evidence of it but the sheriff's return, unless service be waived by the appearance of the party; that the service must appear by matter of record, and no parole evidence can be received." C. P., 206, Harris *vs.* Alexander, 1 Robinson, 30.

In the case of Belard & Johnson *vs.* Gebelin & Duggan, 47 An., page 166, this court said:

"The defendants cannot be considered bound by citation
556 not addressed to them or to their *curator ad hoc* as their legal representative in the suit."

Again, in the case of State *ex rel.* Y. & M. V. R. R. *vs.* Montague, 48 An., 1417, the court held:

"Syllabus.—A citation addressed to the president of a railroad company is an absolute nullity, and a binding and valid judgment cannot be founded thereon. It should have been directed to the railroad company."

In this case no party other than the defendant company as a corporation has been cited at all, and it has not been cited as the authorized agent to appear or plead for the individual members of the company; neither have any of the officers of the company been

cited as the agents authorized to appear for or defend the suit in the name of the individual members of the company. We believe that no ground exist- to claim that there are any other parties to this suit than the State on the one side, as the plaintiff, and the defendant company, by its name as a corporation defendant, on the other, and the question is squarely presented in the exception filed by the defendant whether the company as such a corporation is or is not a proper or competent defendant to defend a suit in which its own corporate existence is at issue. In the very nature of things, we do not see how the company can be a competent defendant in such an instance, because the suit involves the proposition of the non-existence of such a person to defend it, and to recover a judgment the burden of maintaining that proposition is upon the plaintiff, and this leaves the defendant out of the case.

Fourth. The law makes the individual incorporators the necessary defendants in such a suit, and the judgment of the court decreeing the nullity of a charter where the individual incorporators who have enacted and adopted the charter assailed are not made parties to the suit to decree its nullity, the judgment decreeing such nullity is *coram non judice* and without legal effect, and such a judgment is in violation of the fourteenth amendment of the Constitution of the United States, which provides: "No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States, nor shall any State deprive any person of life, liberty, or property without due
557 process of law, nor deny to any person within its jurisdiction the equal protection of its laws." The judgment rendered by the district court in this case comes within the prohibition of this amendment prohibiting a State from depriving any person of life, liberty, or property without due process of law. Neither the Federal nor the State constitutions attempt to define what is "due process of law," nor have the courts been able to give a definition covering all possible cases. It is held that the phrases "by due course of law" and "by the law of the land" are synonymous with "by due process of law." 96 U. S., 97.

It has been said that the terms "due process of law" and the "law of the land" refer to the pre-existing rule of conduct, and they are intended to secure the individual from the arbitrary exercise of the powers of the government unrestrained by the established principles of procedure and distributive justice; this object being obtained where the laws operate on all alike, these guarantees are intended to protect property from seizure, forfeiture, or destruction without a trial and conviction by the ordinary modes of judicial procedure. 68 Alabama, 58. Again it is said:

"By the law of the land is most clearly intended the general law, the law which hears before it condemns, which proceeds upon enquiry and renders judgment only after trial. The meaning is that every citizen shall hold his life, liberty, property, immunities under the protection of the general rules which govern society. Everything which may pass under the form of an enactment is not therefore to be considered the law of the land." Definition of Daniel

Webster in his argument for the plaintiffs in error in Dartmouth College *vs.* Woodward, 4 Wheat., 518.

As applied to judicial proceedings, the term "due process of law" means a course of proceeding according to the rules and principles which have been established in our system of jurisprudence for the protection and enforcement of private rights. 95 U. S., 33; 19 Wall. U. S., 107.

It is imperative that there be a court of competent jurisdiction; that the proceedings be regular and appropriate to the question involved. In Burton *vs.* Platter, 10 U. S. App., 657, the court says:

"Certain it is that in judicial proceedings due process of law must be a course of legal proceedings according to those rules
558 and forms which have been established for the protection of private rights; it must be one that is appropriate to the case and just to the parties affected; it must be pursued in the ordinary manner prescribed by the law; it must give to the parties to be affected an opportunity to be heard respecting the justice of the judgment sought; it must be one which hears before it condemns, proceeds upon enquiry, and renders judgment only after trial."

See also 96 U. S., 97.

In the case in hand it is the nullity of the charter that is sought to be established and decreed. That charter is the instrument of the individual incorporators. It is they who adopted and enacted it. The corporation was first called into existence after the adoption of this charter and organization under it. Strictly, it is their acts that are assailed by the State in this suit in its efforts to annul the charter. Under the fourteenth amendment is it due process of law to declare the charter a nullity in a suit in which they have not been made parties and in which there is no defendant, if the theory upon which the suit is founded is correct, that the charter is a nullity? Such proceedings do not constitute "due process of law" to support such a decree. It is within the plain definition of the term and is given in the authorities construing and applying the term. Individual incorporators, after the judgment was rendered in the lower court, intervened and appealed from that judgment, because it was a judgment declaring *their* acts null and void in the adoption of this charter, and because it was a judgment directly affecting them, their privileges and immunities, under the law which have been rendered in the lower court in a case in which they are not parties, and in which they were not heard, and in which, as we believe, they have just grounds for complaint under the constitutional amendment against the action of the State in not citing them, that they might be heard in the protection of their own interests. They claim here that the law of the land, viz., C. C. 446, requires that they should be made parties in such a suit, and the judgment rendered declaring this charter a nullity is a judgment against no one competent to be heard in defense.

Fifth. In the next place, the judgment of the lower court as signed March 8, 1899, contains the following clause relating
559 to the injunction, viz:

"It is further ordered that the injunction heretofore issued,

prohibiting and restraining said company, its officers, directors, agents, and representatives, from removing the assets and funds of said company from this State or beyond the jurisdiction of this court; from receiving any money or installments from its debenture-holders; from paying out any money in surrenders or withdrawals or in redemption of debentures; from making loans on or from forfeiting any of said debentures or the rights of any of the holders thereof, be now confirmed and made absolute."

The injunction here made absolute by this judgment was applied for on March 2, 1899, by the State by supplemental petition filed in this suit after the case had been tried in the lower court, after the evidence had all been adduced and the final argument of the case had been made by the parties, and after the case had been submitted to the court for its decision. That supplemental petition contains numerous allegations of fact and matters of grave importance and concern both to the defendant company, regarded as a corporation, and of the individual members of the company. It was never put at issue in any form, either tacitly or otherwise; no hearing was ever accorded under it nor other opportunity extended to the parties affected by the matters involved in it, and no trial was ever had on this supplemental petition; not even the company was ever heard upon it, and yet without any such trial or hearing of the parties in interest, six days afterwards, on the eighth of March, 1899, it was incorporated in the final judgment rendered in this case.

We submit to the court that such proceedings are not "due process of law" within the meaning of the intendment of the fourteenth amendment.

More especially is this true when we consider the far-reaching effects produced by the writ of injunction issued under that petition. It prohibits and restrains the company and its officers, directors, agents, and representatives from removing the assets or funds of the company from the State or beyond the jurisdiction of the court. By the effect of the injunction the control of the property is taken into the hands of the court, and the company, as well as the individual members of it, were divested of the property in their
560 possession, under their control and administration, by the writ, and the officers and agents of the company are in effect made the keepers of the property under the direction and authority of the court, this authority being assumed by the court by issuing the injunction and making it absolute in the judgment appealed from. If the property thus brought under the court's control is not the property of the company because of the nullity of its charter, then indubitably it is the property of the individual members of the company. The officers and agents of the company were in charge of the property as their trustees and for their benefit. The injunction divested them of their possession and control of the property in this way, took it from them in a case in which the owners were not parties, and restrained them from using the property as their own in the manner which they desire. They were in this way deprived of their liberty and their property without any process of

law against them whatever, and in violation of the plain terms of the prohibition contained in the fourteenth amendment.

Sixth. Besides, the writ of injunction prohibitsand restrains these parties "from receiving any money or instalments from debenture-holders; from paying out any money on surrenders or withdrawals or in redemption of debentures; from making any loans on or forfeiting any of said debentures or the rights of any of the holders thereof." This deprives the parties in interest of the right, privilege, or power to comply with, on their part, contracts made with third persons, also parties not before the court, or to exact compliance by others with the contracts made with them. It deprived them of the right and power to protect their own rights and interests under such contracts, which is within the prohibition of the fourteenth amendment.

Seventh. If we concede that the charter of the company is null and void, as claimed by the State, and that it is not a corporation, the property assets and contracts existing in the name of the company *is* the property of and belonging to the individuals composing the company, and the fact that the charter is null and void gives the State no right to divest their trustees of the possession or control of the property or their right to administer or control it. This phase of the question has been elaborately discussed by us in the brief filed in this court in the case between these parties,
561 No. 13114, still pending before the court, and a copy of which we annex to this application for an elaboration of these grounds, and which we respectfully submit for the consideration of the court.

Eight. Your orators and applicants, for further cause why rehearing should be granted them in this cause, respectfully represent and suggest that the judgment rendered in this cause affirming the judgment of the lower court appealed from abridges and deprives them, as citizens of the United States, of the privileges and immunities guaranteed to them by and in the fourteenth amendment to the Constitution of the United States, and that said judgment deprives them as such citizens of their liberties and property, in contravention of the prohibitions contained in the Constitution and amendments thereto of the United States, and especially the fourteenth amendment thereof, in the respects following, namely:

(*a.*) That said judgment affirming the judgment of the lower court appealed from, without due process of law, abridges and deprives your applicants, as the stockholders and individual members composing said association, the New Orleans Debenture Redemption Company of Louisiana, Limited, of their right and immunity to be and continue as a corporation under the laws of the State of Louisiana, and that same is without due process of law, in that your applicants, the incorporators, stockholders, and individual members of said association, were not made or cited as defendants in said cause or afforded an opportunity to be heard as defendants therein before the final judgment appealed from was rendered in the lower court, and that same was rendered in the lower court against them

without their being made parties thereto or heard in defence thereof.

(*b.*) That said judgment, without due process of law, deprives them of the equal protection of the laws of the said State, in that, without citation, process, or other legal notice to them or served upon them and in a suit in which they were not parties, the said judgment by its decree denies them the right to continue and act as a corporation under charter of said association adopted by them.

(*c.*) That said judgment, without due process of law, deprives them of the equal liberty, privilege, and immunity to pursue a law-
562 ful business, calling, and enterprise, one which is recognized by the statute laws of the State and permitted by the public policy thereof, and one which is recognized in the act No. 171 of 1898, adopted by the General Assembly thereof, approved July 14, 1898.

(*d.*) That said judgment, without due process of law, by effect of the injunction issued in the lower court, which is made absolute and perpetual by the judgment rendered in the lower court and affirmed in this court, deprives them of their property in said association and deprives the said association, its officers, agents, and trustees, of the property rights and assets, as well as the possession and control thereof, belonging to said association, or at least to these individual members thereof; that same, in law and fact, operates to deprive the said association and these applicants as the stockholders and individual members thereof of the said property rights and assets belonging to them; that said injunction deprives them of the right or power to administer or control said property.

(*e.*) That said writ of injunction was issued in the lower court after this case had been therein tried, argued, and finally submitted for decision, and was so issued *ex parte* upon a supplemental petition filed therein for and on behalf of the plaintiff, The State, and after said cause had been finally tried in said court and same was made absolute and perpetual without due process of law, within the meaning and intendment of the said fourteenth amendment.

(*f.*) That said injunction was so issued without authority of law and not in the usual or ordinary course of proceedings to that end, and these applicants, the said association and the individual members thereof, as well as its officers, agents, and trustees, were thereby divested of said property, without due process of law, and were divested of their right and power to control, possess, and administer said property rights and assets belonging to them.

(*g.*) That by said injunction they were further deprived of and denied their lawful rights, privileges, and immunities as citizens of the United States to keep and comply with, on their part, numerous sundry contracts which had been lawfully made and entered into by them with sundry numerous third persons and contractors,
563 and they were thereby further deprived of their rights, privileges, and immunities of exacting and accepting from such third parties and contractors compliance by said third persons, on their part, of said contracts in their favor.

(*h.*) That this appeal in this case from the proceedings and judg

ment in the lower court, involved in the appointment of Aug. M. Benedict, made by the governor of the State, to be receiver and liquidator, to take charge of the property, assets, and affairs of said association and your applicants, and to liquidate their affairs, and which has been affirmed by a decree rendered in this cause, and by the effect of which said appointment is recognized and the objects and purposes of said appointment *is* ordered to be carried into effect, and that same is intended and will divest them of their property rights and assets, as well as their right to administer, control, and settle their own affairs; and said appointment was so made without authority of law and *ex parte*, without notice or opportunity extended to these applicants to contest or oppose the same, and same will thereby deprive your applicants, the said association and the individual members thereof, of their said property rights and assets without any or due process of law and in violation of the prohibitions and guarantees of the fourteenth amendment to the Constitution of the United States.

Your applicants therefore respectfully pray this honorable court that it may grant them, as appellants, a rehearing upon the opinion and judgment rendered in this case, and that the judgment heretofore rendered by this court may be avoided and set aside, and for a final judgment on this appeal in behalf of these appellants, and that the judgment and proceedings of the lower court appealed from may be annulled, avoided, and reversed, and for a judgment rejecting the demand of the plaintiff, The State, and dismissing this suit and proceedings, and for all such further orders as by law or equity they may be entitled to, and for costs of suit and general relief.

Respectfully submitted.

(Signed) J. F. PIERSON,
Do. W. H. ROGERS, *Att'ys.*

564 *Opinion of the Court.*

UNITED STATES OF AMERICA, }
State of Louisiana. }

Supreme Court of the State of Louisiana.

NEW ORLEANS, THURSDAY, *June 29th*, 1899.

The court was duly opened pursuant to adjournment.

Present: Their honors Francis T. Nicholls, chief justice; Lynn B. Watkins, Joseph A. Breaux, Newton C. Blanchard, Frank A. Monroe, associate justices.

His honor Mr. Justice Breaux pronounced the opinion and judgment of the court in the following case:

In the Matter of THE STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited. } No. 13116.

On appeal from the civil district court for the parish of Orleans.

Judgment.

In this case judgment was rendered in the district court in favor of plaintiff, dated March 2nd, 1899, signed March 6th, 1899.

From this judgment defendant applied for and obtained a suspensive appeal.

On appeal this court affirmed the judgment of the district court.

Subsequent to the date of this judgment, on motion of the attorney general, the district court recognized the appointment and commission of the governor of the State of Louisiana issued to August M. Benedict and ordered that a commission issue to him as liquidator.

From this order a separate appeal was taken by a number of the shareholders.

The law and the evidence being in favor of the plaintiff, it is ordered, adjudged, and decreed that the order issued by the court recognizing August M. Benedict as liquidator be annulled, avoided, and reversed and the matter left at large.

It is further ordered, adjudged, and decreed that all the rights of the parties are reserved as relates to the appointment of re-
565 ceiver or liquidator, to be hereafter passed upon, and that this decree is rendered without prejudice in matter of deciding the questions presented in case 13114, New Orleans Debenture Redemption Company *vs.* Judge.

Having decided the case in the lower court, Mr. Justice Monroe takes no part in the case here.

Final Judgment.

(Extract from the Minutes.)

NEW ORLEANS, THURSDAY, *June 29th*, 1899.

The court was duly opened pursuant to adjournment.

Present: Their honors Francis T. Nicholls, chief justice; Lynn B. Watkins, Joseph A. Breaux, Newton C. Blanchard, Frank A. Monroe, associate justices.

His honor Mr. Justice Breaux pronounced the opinion and judgment of the court in the following case:

In the Matter of THE STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY, Limited. } No. 13116.

(On appeal from the civil district court for the parish of Orleans.)

The law and the evidence being in favor of the plaintiff, it is ordered, adjudged, and decreed that the order issued by the court recognizing August M. Benedict as liquidator be annulled, avoided, and reversed and the matter left at large.

It is further ordered, adjudged, and decreed that all the rights of the parties are reserved, as relates to the appointment of receiver or liquidator, to be hereafter passed upon, and that this decree is rendered without prejudice in matter of deciding the questions presented in case 13114, New Orleans Debenture Redemption Company *vs.* Judge.

(Having decided the case in the lower court, Mr. Justice Monroe takes no part in the case here.)

566 *Opinion of the Court.*

UNITED STATES OF AMERICA,
State of Louisiana.

Supreme Court of the State of Louisiana.

NEW ORLEANS, FRIDAY, *June 30th*, 1899.

The court was duly opened pursuant to adjournment.

Present: Their honors Francis T. Nicholls, chief justice; Lynn B. Watkins, Joseph A. Breaux, Newton C. Blanchard, Frank A. Monroe, associate justices.

His honor the chief justice pronounced the opinion and judgment of the court in the following case:

In the Matter of THE STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited. } No. 13116.

On appeal from the civil district court for the parish of Orleans.

On application for a rehearing.

In this case, on the 22nd of June, 1899, as relates to the appointment of a receiver or liquidator, a decree of the court was handed down which in part read as follows, viz:

"That the said judgment, in so far as it appoints a receiver or liquidator, be reversed, reserving to the State of Louisiana and all other parties in interest all rights under the law relative to the appointment of a receiver or liquidator."

The attorney general and associate counsel have filed an application for a rehearing and so have counsel for defendant.

The State avers that the public interest, and particularly the interest of the debenture-holders, demands a settlement of the question as relates to the appointment of a receiver or of a liquidator,
567 and the State asks that the liquidator appointed by the governor be recognized.

These cases were argued late in the session. The argument was directed to the question of the legality *vel non* of the charter under which the respective companies carried on business.

The illegality of the charter was decreed. The court considered that as to liquidator or receiver *vel non*, contradictorily with parties in interest, the question can be considered in the district court, to which the judgment is remanded for execution.

The whole question as to the appointment of liquidator or receiver was left at large and to be considered as an original question. Whether the appointment of liquidator lies with the governor or of receiver with the court, or the parties in interest, we do not determine. It is left as an open question.

Rehearings refused.

Monroe, J., takes no part.

Final Judgment.

(Extract from the Minutes.)

NEW ORLEANS, FRIDAY, *June 30th*, 1899.

The court was duly opened pursuant to adjournment.

Present: Their honors Francis T. Nicholls, chief justice; Lynn B. Watkins, Joseph A. Breaux, Newton C. Blanchard, Frank A. Monroe, associate justices.

His honor the chief justice, pronounced the opinion and judgment of the court in the following case:

STATE OF LOUISIANA *vs.* NEW ORLEANS DEBENTURE REDEMPTION COMPANY OF LOUISIANA, LIMITED.	No. 13116.

The whole question as to the appointment of liquidator or receiver was left at large and to be considered as an original question. Whether the appointment of liquidator lies with the governor or of receiver with the court, or the parties in interest, we do not determine. It is left as an open question.

(Monroe, J., takes no part.)

568 *Rehearing Refused.*

(Extract from the Minutes.)

NEW ORLEANS, FRIDAY, *June 30th*, 1899.

The court was duly opened pursuant to adjournment.

Present: Their honors Francis T. Nicholls, chief justice; Lynn B. Watkins, Joseph A. Breaux, Newton C. Blanchard, Frank A. Monroe, associate justices.

STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited. } No. 13116.

By the COURT:

It is ordered that the rehearing applied for in this case be refused. Rehearing refused.

Petition for Writ of Error.

In the Supreme Court of the State of Louisiana.

THE STATE OF LOUISIANA
vs.
THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY of Louisiana, Limited. } No. 13116.

To the honorable the chief justice and associate justices of the Supreme Court of the United States:

The petition of "The New Orleans Debenture Redemption Company of Louisiana, Limited;" the petition of Walter H. Rogers, Joseph P. Williams, Gordon S. Orme, James B. Sinnot, Walter L. Saxon, Henry B. Byrne, Joseph L. Herwig, Gustave Kohn, John W. Moore, John W. Fairfax, Simon L. Fucich, Jacob Young, Philip J. McManus, Mrs. Regina Waiss, a *femme sole;* Alexander S. Waiss, Theodore D. Waiss, Jean Brody, Frank Dameron, Robert S. Moore, Nevins Kirkpatrick, and George D. Feldner, residents of the State of Louisiana, and W. D. Bettis, a resident of the State of Texas; P. J. Lyons, a resident of the State of Alabama, all of said petitioners being citizens of the United States of America, being and comprising all
569 the individual members of and the stockholders in said association and company, and the petition of W. H. Rogers, president, and J. P. Williams, secretary-treasurer, and H. B. Byrne, G. D. Feldner, J. L. Herwig, G. S. Orme, W. L. Saxon, J. B. Sinnott, R. S. Moore, and Frank Dameron, composing the board of directors for said association and company, with respect represent:

That there is error to their prejudice in the final judgment rendered by the supreme court of the State of Louisiana in the above-entitled cause which became final on June 30, 1899.

That said supreme court which rendered said judgment is the highest court of the State in which a decision of the cause can be had, and its decision has become and is now final.

That there was drawn in question in said supreme court in said cause Federal questions, and in which Federal rights, privileges, and immunities were claimed under the Constitution of the United States, under the 14th amendment thereof, and the statutes and laws of the United States, by your petitioners, and the decision of the said supreme court is against the rights, privileges, and immunities which were specially set up and claimed therein by petitioners under the said Constitution of the United States, the 14th amendment

thereof, and the statutes and laws of the United States; and the said decision of the supreme court of Louisiana deprives your petitioners of their liberty and property without due process of law, and the same is a denial to petitioners by the State of the equal protection of its laws, in violation of the guarantees and prohibitions of the 14th amendment of the Constitution of the United States.

Your petitioners desire to have the said erroneous decision and judgment of the supreme court of Louisiana revised and corrected by the Supreme Court of the United States, under the provisions of section 709 and other sections of the Revised Statutes of the United States, as to the said errors and invalidities herein alleged and upon the annexed assignment of errors, and upon other plain errors apparent on the face of the record.

Wherefore your petitioner- pray that a writ of error may be allowed, returnable to the Supreme Court of the United States, as the law directs, upon petitioners furnishing bond and security therefor in such sum as your honor may direct, and that the State of
570 Louisiana, through M. J. Cunningham, attorney general, may be cited according to law to answer in the premises, and petitioners pray for such orders as may be necessary in the premises.

(Signed) J. F. PIERSON,
Att'y for Petitioners.

New Orleans, Louisiana.

(Endorsed:) No. 13116. State of Louisiana *vs.* N. O. Debenture Redemption Company of Louisiana, Limited, *et als.* Petition for writ of error. Filed July 21, 1899. (Signed) T. McC. Hyman, clerk.

Copy of Writ of Error.

UNITED STATES OF AMERICA, *ss:*

[SEAL.] The President of the United States of America to the honorable the judges of the supreme court of the State of Louisiana, Greeting:

Because in the record and proceedings, as also in the rendition of the judgment of a plea which is in the said supreme court, before you or some of you, being the highest court of law or equity of the said State in which a decision could be had in the said suit between The New Orleans Debenture Redemption Company of Louisiana, Limited, Walter H. Rogers, Joseph P. Williams, Gordon S. Orme, James B. Sinnot, Walter L. Saxon, Henry B. Byrne, Joseph L. Herwig, Gustave Kohn, John W. Moore, John W. Fairfax, Simon L. Fucich, Jacob Young, Philip J. McManus, Mrs. Regina Waiss, a *femme sole;* Alexander S. Waiss, Theodore D. Waiss, Jean Brody, Frank Dameron, Robert S. Moore, Nevins Kirkpatrick, George D. Feldner, W. D. Bettis, P. J. Lyons, and W. H. Rogers, president; J. P. Williams, secretary-treasurer, and H. B. Byrne, G. D. Feldner, J. L. Herwig, G. S. Orme, W. L. Saxon, J. B. Sinnott, R. S. Moore, and Frank Dameron, composing the board of directors of said

company, appellants, and The State of Louisiana, appellee, No. 13116, wherein was drawn in question the validity of a treaty or statute of or an authority exercised under the United States and the decision was against their validity, or wherein was drawn in question the validity of a statute of
571 or an authority exercised under said State, on the ground of their being repugnant to the Constitution, treaties, or laws of the United States, and the decision was in favor of such their validity, or wherein was drawn in question the construction of a clause of the Constitution or of a treaty or statute of or commission held under the United States and the decision was against the title, right, privilege, or exemption specially set up or claimed under such clause of the said Constitution, treaty, statute, or commission, a manifest error hath happened, to the great damage of the said appellants, as by their complaint appears, we, being willing that error, if any hath been, should be duly corrected and full and speedy justice done to the parties aforesaid in this behalf, do command you, if judgment be therein given, that then, under your seal, distinctly and openly, you send the record and proceedings aforesaid, with all things concerning the same, to the Supreme Court of the United States, together with this writ, so that you have the same in the said Supreme Court, at Washington, within 30 days from the date hereof, that, the record and proceedings aforesaid being inspected, the said Supreme Court may cause further to be done therein to correct that error what if right and according to the laws and customs of the United States should be done.

Witness the Honorable Melville W. Fuller, Chief Justice of the United States, the 19th day of July, in the year of our Lord one thousand eight hundred and ninety-nine.

(Signed) JAMES H. McKENNEY,
Clerk of the Supreme Court of the United States.

Allowed by—
(Signed) E. D. WHITE,
Associate Justice of the
Supreme Court of the United States.

(Endorsed:) No. 13116. Supreme court of La. The New Orleans Debenture — Company of Louisiana, Limited, Walter H. Rogers *et al.*, stockholders in said company, and W. H. Rogers, president; J. P. Williams, secretary-treasurer, and H. B. Byrne, *et al.*, composing the board of directors of said company, plaintiffs in error, *vs.* The State of Louisiana, defendant in error. Writ of error. Copy of a
572 writ of error lodged in the clerk's office of the supreme court of the State of Louisiana, in pursuance of the statute in such cases made and provided, this twenty-first day of July, one thousand eight hundred and ninety-nine. —— ——, attorney of plaintiffs in error. Filed July 21st, 1899. (Signed) T. McC. Hyman, clerk.

Assignment of Error.

Supreme Court of the United States.

"THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY OF Louisiana, Limited," and Others, Plaintiffs in Error,
vs.
THE STATE OF LOUISIANA, Defendant in Error.

In error to the supreme court of Louisiana.

Assignment of Error.

1. The State court erred in not holding that the suit, proceedings, and judgment before the civil district court, from which the appeal was taken and prosecuted in the Supreme Court in this cause, are invalid and without due process of law for want of the necessary parties essential thereto; in not holding that the State is without any real or actual interest in the subject-matters involved and not a proper or competent party complainant or plaintiff to the action, and in not holding that the State cannot come or be brought into court as the complainant or plaintiff in this case.

2. The State court erred in holding that there was any party defendant in the suit; in holding that there was any person, natural or civil, made, cited, or notified to defend the suit competent to defend the same or against which the judgment rendered can be pronounced or executed.

3. The State court erred in holding that the association or company cited in the case is a legal or competent defendant to appear in court or to defend the suit upon the issue of the nullity of
573 the charter assailed; in holding that the company is competent or capacitated to defend the suit, having for its object the establishment of its own legal non-existence.

4. The State court erred in maintaining the suit and in rendering the judgment pronounced without citation or notice to the individual members and stockholders of the company, the sole parties in interest or to be affected by the judgment and who are the sole parties really defendant in the case, and in not holding that no valid judgment can be rendered in the suit without citation or notice to them.

5. The State court erred in not holding that the suit, proceeding, and judgment in the cause are utterly invalid, *coram non judice*, for want of the essential parties before the court to give it jurisdiction to hear and determine the matters involved, and in not holding

that the court had no jurisdiction to hear or determine the suit or the matters in issue.

6. The State court erred in not holding that the suit, proceedings, and judgment in the case before it was without due process of law.

7. The State court erred in not holding that the supplemental petition of the State, filed in the case before the civil district court on March 2, 1899, after the case had been tried and submitted for decision and the writ of injunction issued under it on March 2, 1899, and the final judgment confirming the injunction and making it absolute and perpetual without notice to or hearing of any party defendant therein, were each and all without authority of law, and in not holding that the injunction was issued, confirmed, and made absolute in the judgment signed on March 8, 1899, without notice to or hearing of any one in defence, and was without authority of law, and was in violation of the established rules of law and usage in the courts, and that the injunction in its effect deprives these plaintiffs in error of their liberty, privileges, immunities, and property without due process of law and denies to them the equal protection of the laws of the State.

8. The State court erred in not holding that under the allegations of the State's petition and for the purposes of the trial of the suit brought the company was to be regarded as an association not authorized by law and one which enjoys no public character
574 and which cannot appear in a court of justice but in the names of all the individual members who compose it.

9. The State court erred in not holding that the individual members and stockholders of the company were necessary and indispensable parties to the suit and the sole parties in interest competent to defend the suit in reference to the nullity of the charter alleged by the State, and in not holding that no judgment can be entered or rendered in reference thereto without first making the individual members and stockholders parties to the suit and giving them notice.

10. The State court erred in maintaining the suit and proceedings and in not holding that said suit and proceedings are invalid without the necessary parties before the court to confer jurisdiction upon it to hear and decide the matter involved, and in not holding that said suit and judgment is without due process of law.

11. The State court erred in maintaining and affirming the judgment of the civil district court, which had been rendered without due process of law, and by and through which the plaintiffs in error have been deprived of their privileges and immunities and

of their right to pursue their lawful avocation and business of a debenture redemption company in that State.

12. The State court erred in not holding that the business of a debenture redemption company is a lawful business under the laws and statutes of the State, and that it is expressly recognized as such by act No. 171 of the legislature, approved July 14, 1898, and in not holding that said act is the public policy of the State, under which the rights of the citizens to pursue such business cannot be denied.

13. The State court erred in not holding that these plaintiffs in error were deprived by the suit and proceedings of their liberty and property without due process of law, and in not holding that the writ of injunction issued and maintained is without due process of law, and that it deprives them of their liberty to pursue a lawful avocation and the right to administer their own private property and affairs and to settle their own private business and financial affairs in the manner agreed upon among themselves.

575 14. The State court erred in not holding that until notice is given to the individual members and stockholders of the company, the essential and necessary parties to the State's suit, that the civil district court, by which the judgment was rendered, had and has no jurisdiction to proceed to judgment in said suit, and that all the said proceedings in said suit are invalid, and that the enforcement of said judgment will deprive these plaintiffs in error of their liberty and property without due process of law.

15. The State court erred in not holding that even if it be conceded that the charter is null as decreed that the property and assets used and possessed by the association belongs to these plaintiffs in error the same as other property, and that the State is without right or capacity to enjoin them from administering it the same as other property.

16. The State court erred in not holding that the State as plaintiff in the suit is without right, capacity, or authority to interfere with these plaintiffs in error either in the management of the joint propert- of the association or to provoke the appointment of a receiver or liquidator to settle their business and affairs.

17. The State court erred in not holding that the judgment enjoining them from the free use and control of their own property and from the final settlement of their own private contracts and business affairs involved in this suit as well as the State's application to appoint a receiver or liquidator to take charge of the joint assets and property belonging to them is without due process of law and deprives them of the rights, privileges, and immunities guaran-

teed to them by the fourteenth amendment of the Constitution of the United States, and that same deprives them of their liberty and property in violation of the prohibitions contained in said amendment.

Respectfully submitted.

(Signed) J. F. PIERSON, *Att'y.*

(Endorsed:) The State of Louisiana *vs.* The N. O. Debenture Redemption Company of Louisiana, Limited. Assignment of error. Filed July 21, 1899. (Signed) T. McC. Hyman, clerk.

576 *Bond for Writ of Error.*

Know all men by these presents that we, "The New Orleans Debenture Redemption Company of Louisiana, Limited," and W. H. Rogers, J. P. Williams, G. S. Orme, J. B. Sinnott, W. L. Saxon, H. B. Byrne, R. Werner, G. D. Feldner, J. W. Fairfax, P. J. McManus, J. L. Herwig, R. S. Moore, and F. Dameron, board of directors and stockholders, and Gustave Kohn, J. W. Moore, R. Waiss, *femme sole;* A. S. Waiss, T. D. Waiss, J. Brody, N. Kirkpatrick, W. D. Bettis, P. J. Lyons, A. Doherty, Jr., S. M. Fucich, and Jacob Young, stockholders in said company, as principals, and ——, as sureties, are held and firmly bound unto The State of Louisiana in the full and just sum of one thousand dollars *dollars*, to be paid to the said State of Louisiana, her certain attorney, executors, administrators, or assigns; to which payment, well and truly to be made, we bind ourselves, our heirs, executors, and administrators, jointly and severally, by these presents.

Sealed with our seals and dated this 15th day of July, in the year of our Lord one thousand eight hundred and ninety-nine.

Whereas lately, on the 30th day of June, 1899, at the supreme court of the State of Louisiana, in the city of New Orleans, in a suit depending in said court, entitled "The State of Louisiana *vs.* The New Orleans Debenture Redemption Company of Louisiana, Limited," wherein the above-bounden principal obligors were defendant- and appellants and the above-named obligee was plaintiff, appellee, a judgment was rendered against the said above-named principal obligors, and the said above-named principal obligors having obtained a writ of error and filed a copy thereof in the clerk's office of the said court to reverse the judgment in the aforesaid suit, and a citation directed to the said obligee, The State of Louisiana, plaintiff and appellee, citing and admonishing her to be and appear at a Supreme Court of the United States, at Washington, within thirty days from the date thereof:

Now, the condition of the above obligation is such that if the said above bounden and named principal obligors shall prosecute their writ to effect and answer all damages and costs if they fail to

make their plea good, then the above obligation to be void; else to remain in full force and virtue.

577

[SEAL.] THE NEW ORLEANS DEBENTURE REDEMPTION CO. OF LA., LIMITED. [L. S.]
W. H. ROGERS, *Pres't.*
J. P. WILLIAMS, *Sec't'y & Trea.*
W. H. ROGERS. [L. S.]
J. P. WILLIAMS. [L. S.]
GORDON S. ORME.
J. B. SINNOTT.
W. L. SAXON. [SEAL.]
(Signed) H. B. BYRNE.
R. S. MOORE.
J. L. HERWIG. [SEAL.]
G. D. FELDNER &
F. DAMERON,
Of Board of Directors and Stockholders, and
G. KOHN,
J. W. MOORE,
R. WAISS,
A. S. WAISS,
T. D. WAISS,
J. BRODY,
N. KIRKPATRICK,
W. D. BETTIS,
P. J. LYONS,
S. M. FUCICH,
A. DOHERTY, JR.,
JACOB YOUNG (*Stockholders*).
P. J. McMANUS, &
J. W. FAIRFAX.
R. WERNER, [L. S.]
P'r J. F. PIERSON, *Att'y.*
NATIONAL SURETY CO.
JOS. H. DE GRANGE, *Resd. Vice-Pres'd't.*

Attest: EDWIN SHELBY,
Resident Ass't Sec'y.

Sealed and delivered in the presence of—
(Signed) C. T. SWAN.
Do. WM. H. ROGERS.
Do. W. P. EPPERSON.
[SEAL.]

Approved by—
(Signed) E. D. WHITE,
Associate Justice of the Supreme Court of the United States.

July 17th, 1899.

NEW ORLEANS, LA., *July 15th*, 1899.

I hereby certify that the premium paid to the National Surety Company for the execution of the attached bond of the N. O. Debenture Redemption Co. of La. is five dollars ($5.00).

(Signed) NATIONAL SURETY COMPANY,
By EDWIN SHELBY, *Resident Ass't Sec'y.*

Affidavit, Acknowledgment, and Justification by Guarantee or Surety Company.

STATE OF LOUISIANA, } ss:
Parish of Orleans, }

578 On this fifteenth day of July, one thousand eight hundred and ninety-nine, before me personally came Edwin Shelby, known to me to be the res'd't ass't secretary of the National Surety Company, the corporation described in and which executed the within and foregoing bond of the New Orleans Debenture Redemption Co. of Louisiana, Ltd., as a surety thereon, and who, being by me duly sworn, did depose and say that he resides in the city of New Orleans, State of Louisiana; that he is the resident ass't secretary of said company and knows the corporate seal thereof; that the said National Surety Company is duly and legally incorporated under the laws of the State of New York; that said company has complied with the provisions of the act of Congress of August 13, 1894; that the seal affixed to the within bond of National Surety Company of New York is the corporate seal of said company, and was thereto affixed by order and authority of the board of directors of said company, and that he signed his name thereto by like order and authority as resident ass't secretary of said company, and that he is acquainted with Jos. H. De Grange and knows him to be the resident vice-president of said company, and that the signature of said Jos. H. De Grange subscribed to said bond is in the genuine handwriting of said Jos. H. De Grange, and was thereto subscribed by order and authority of said board of directors and in the presence of said deponent, and that the assets of said company, unincumbered and liable to execution, exceed its claims, debts, and liabilities of every nature whatsoever by more than the sum of one million dollars.

— — is our agent to acknowledge service in the judicial district wherein this bond is given.

(Signed) EDWIN SHELBY.
(Deponent's signature.)

Sworn to, acknowledged before me, and subscribed in my presence this fifteenth day of July, 1899.

[SEAL.] (Signed) LAMAR C. QUINTERO.

579 (Endorsed:) No. 13116. Supreme court of Louisiana. The State of Louisiana *vs.* The New Orleans Debenture Redemption Company of Louisiana. Bond for writ of error. Filed July 21, 1899. (Signed) T. McC. Hyman, clerk.

Clerk's Certificate.

UNITED STATES OF AMERICA,
State of Louisiana.

Supreme Court of the State of Louisiana.

I, Thomas McCabe Hyman, clerk of the supreme court of the State of Louisiana, do hereby certify that the above and foregoing five hundred and seventy-nine pages contain a full, true, and complete copy of the proceedings had in the civil district court for the parish of Orleans wherein The State of Louisiana was plaintiff and The New Orleans Debenture Redemption Company of Louisiana, Limited, *were* defendant, and also of all the proceedings had in this supreme court on the appeal taken by the said defendants, which appeal is now on the files thereof under the number 13116.

In testimony whereof I have hereunto set my hand and affixed the seal of said court, at the city of New Orleans, this fifteenth day of August, anno Domini one thousand eight hundred and ninety-nine, and in the one hundred and twenty-fourth year of the Independence of the United States of America.

Seal Supreme Court of the State of Louisiana.

T. McC. HYMAN, *Clerk.*

580 UNITED STATES OF AMERICA, *ss:*

[Seal of the Supreme Court of the United States.]

The President of the United States of America to the honorable the judges of the supreme court of the State of Louisiana, Greeting:

Because in the record and proceedings, as also in the rendition of the judgment of a plea which is in the said supreme court, before you or some of you, being the highest court of law or equity of the said State in which a decision could be had in the said suit between The New Orleans Debenture Redemption Company of Louisiana, Limited; Walter H. Rogers, Joseph P. Williams, Gordon S. Orme, James B. Sinnot, Walter L. Saxon, Henry B. Byrne, Joseph L. Herwig, Gustave Kohn, John W. Moore, John W. Fairfax, Simon L. Fucich, Jacob Young, Philip J. McManus, Mrs. Regina Waiss, a *femme sole;* Alexander S. Waiss, Theodore D. Waiss, Jean Brody, Frank Dameron, Robert S. Moore, Nevins Kirkpatrick, George D. Feldner, W. D. Bettis, P. J. Lyons, and W. H. Rogers, president; J. P. Williams, secretary-treasurer, and H. B. Byrne, G. D. Feldner, J. L. Herwig, G. S. Orme, W. L. Saxon, J. B. Sinnott, R. S. Moore, and Frank Dameron, composing the board of directors of said company, appellants, and The State of Louisiana, appellee, No. 13116, wherein was drawn in question the validity of a treaty or statute of or an authority exercised under the United States and the decision was against their validity, or wherein was drawn in question the

validity of a statute of or an authority exercised under said State, on the ground of their being repugnant to the Constitution, treaties, or laws of the United States, and the decision was in favor of such their validity, or wherein was drawn in question the con-
581 struction of a clause of the Constitution or of a treaty or statute of or commission held under the United States and the decision was against the title, right, privilege, or exemption specially set up or claimed under such clause of the said Constitution, treaty, statute, or commission, a manifest error hath happened, to the great damage of the said appellants, as by their complaint appears, we, being willing that error, if any hath been, should be duly corrected and full and speedy justice done to the parties aforesaid in this behalf, do command you, if judgment be therein given, that then, under your seal, distinctly and openly, you send the record and proceedings aforesaid, with all things concerning the same, to the Supreme Court of the United States, together with this writ, so that you have the same in the said Supreme Court, at Washington, within 30 days from the date hereof, that, the record and proceedings aforesaid being inspected, the said Supreme Court may cause further to be done therein to correct that error what of right and according to the laws and customs of the United States should be done.

Witness the Honorable Melville W. Fuller, Chief Justice of the United States, the 19th day of July, in the year of our Lord one thousand eight hundred and ninety-nine.

JAMES H. McKENNEY,
Clerk of the Supreme Court of the United States.

Allowed by—
E. D. WHITE,
Associate Justice of the Supreme Court of the United States.

582 [Endorsed:] No. 13116. Supreme court of Louisiana. The New Orleans Debenture Company of Louisiana, Limited; Walter H. Rogers *et al.*, stockholders in said company, and W. H. Rogers, president; J. P. Williams, secretary-treasurer, and H. B. Byrne *et al.*, composing the board of directors of said company, plaintiffs in error, *vs.* The State of Louisiana, defendant in error. Writ of error. Filed July 21, 1899. T. McC. Hyman, clerk.

583 UNITED STATES OF AMERICA, *ss:*

To the State of Louisiana, Greeting:

You are hereby cited and admonished to be and appear at a Supreme Court of the United States, at Washington, within 30 days from the date hereof, pursuant to a writ of error filed in the clerk's office of the supreme court of the State of Louisiana, wherein The New Orleans Debenture Redemption Company of Louisiana, Limited; Walter H. Rogers *et al.*, stockholders in said company, and W. H. Rogers, president; J. P. Williams, secretary-treasurer, and H. B. Byrne *et al.*, composing the board of directors of said company,

are plaintiffs in error and you are defendant in error, to show cause, if any there be, why the judgment rendered against the said plaintiffs in error, as in the said writ of error mentioned, should not be corrected and why speedy justice should not be done to the parties in that behalf.

Witness the Honorable Edward D. White, associate justice of the Supreme Court of the United States, this 17th day of July, in the year of our Lord one thousand eight hundred and ninety-nine.

E. D. WHITE,
Associate Justice of the Supreme Court of the United States.

584 [Endorsed:] No. 13116. Supreme court of Louisiana. The New Orleans Debenture — Company of Louisiana, Limited; Walter H. Rogers *et al.*, stockholders in said company, and W. H. Rogers, president; J. P. Williams, secretary-treasurer, and H. B. Byrne *et al.*, composing the board of directors of said company, plaintiffs in error, *vs.* The State of Louisiana, defendant in error. Citation in error and marshal's return. Filed July 21, 1899. T. McC. Hyman, clerk.

On this twenty-first day of July, in the year of our Lord one thousand eight hunded and ninety-nine, personally appeared Joseph H. Patin, a deputy marshal, before me, the subscriber, Thomas McCabe Hyman, clerk of the supreme court of the State of Louisiana, and makes oath that he delivered a true copy of the within citation to The State of Louisiana, defendant in error, by serving, this same twenty-first of July, 1899, said copy of within citation upon Murphy J. Foster, governor of the State of Louisiana, in person, and on the same day delivered a true copy of the within citation to the State of Louisiana, to M. J. Cunningham, attorney general of said State, by delivering the same at his official office, Cotton Exchange building, in the city of New Orleans, by delivering the said copy of citation to Gabriel Andry, a clerk of said attorney general, present in the said office of the attorney general, the attorney general being absent from his said office and the city of New Orleans at the time of said service upon his said clerk.

JOSEPH H. PATIN,
Dep'ty U. S. Marshal.

Sworn to and subscribed the 21st day of July, A. D. 1899, at the city of New Orleans.

[Seal Supreme Court of the State of Louisiana.]

T. McC. HYMAN, *Clerk.*

Marshal fees, $4.

I hereby accept service of this citation.
New Orleans, July 25th, 1899.

FRANK E. RAINOLD,
Counsel Assisting the Attorney General.

M. J. CUNNINGHAM,
Att'y Gen'l of La.

585 THE NEW ORLEANS DEBENTURE REDEMPTION Company of Louisiana, Limited; W. H. Rogers *et als.*, Stockholders; W. H. Rogers, President, and J. P. Williams, sec't'y-treas'r, and H. B. Byrne *et als.*, Composing the Board of Directors, Plaintiffs in Error,

vs.

THE STATE OF LOUISIANA, Defendant in Error. } No. 13116.

In this cause, on the motion and application of J. F. Pierson, attorney for the plaintiffs in error, and on suggesting that an extension and enlargement of the thirty days fixed by law and the rules of the Supreme Court of the United States is necessary to enable the clerk of the supreme court of the State of Louisiana to properly prepare the record of this cause for transmission into the Supreme Court of the United States, and upon the undersigned certificate of the clerk of the supreme court of the State of Louisiana—

It is thereupon ordered that an enlargement and extension of the time for the return of the record of this cause to be made into the Supreme Court of the United States and for docketing the cause therein —, and the same is hereby, granted and extended until and to expire on Monday, the second day of October, A. D. one thousand eight hundred and ninety-nine.

Aug. 10th, 1899.

E. D. WHITE,
Associate Justice Supreme Court of the United States.

[Endorsed:] Filed Aug. 15, 1899. T. McC. Hyman, clerk.

586 Office of the clerk of the supreme court of the State of Louisiana.

I, T. McC. Hyman, clerk of the supreme court of the State of Louisiana, do hereby certify that an extension and enlargement of the time—thirty days from the date of the writ of error issued in this cause—is necessary to enable me properly to prepare copy of the record in said cause for transmission to the Supreme Court of the United States.

Given under my hand and seal of office, at the city of New Orleans, La., on this the 26th day of July, 1899.

[Seal Supreme Court of the State of Louisiana.]

T. McC. HYMAN, *Clerk.*

[Endorsed:] Filed August 15th, 1899. T. McC. Hyman, clerk.

Endorsed on cover: File No., 17,505. Louisiana supreme court. Term No., 129. The New Orleans Debenture Redemption Company of Louisiana, Limited, *et al.*, plaintiffs in error, *vs.* The State of Louisiana. Filed September 5th, 1899.

No. 129.
Brf. of Pierson for P. E.

Office Supreme Court U. S.
FILED
DEC 4 1900
JAMES H. McKENNEY,
Clerk.

Filed Dec. 4, 1900.

Supreme Court of the United States

OCTOBER TERM, 1900.

No. 129.

THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY OF LOUISIANA, LIMITED, ET ALS.,
PLAINTIFFS IN ERROR,

versus

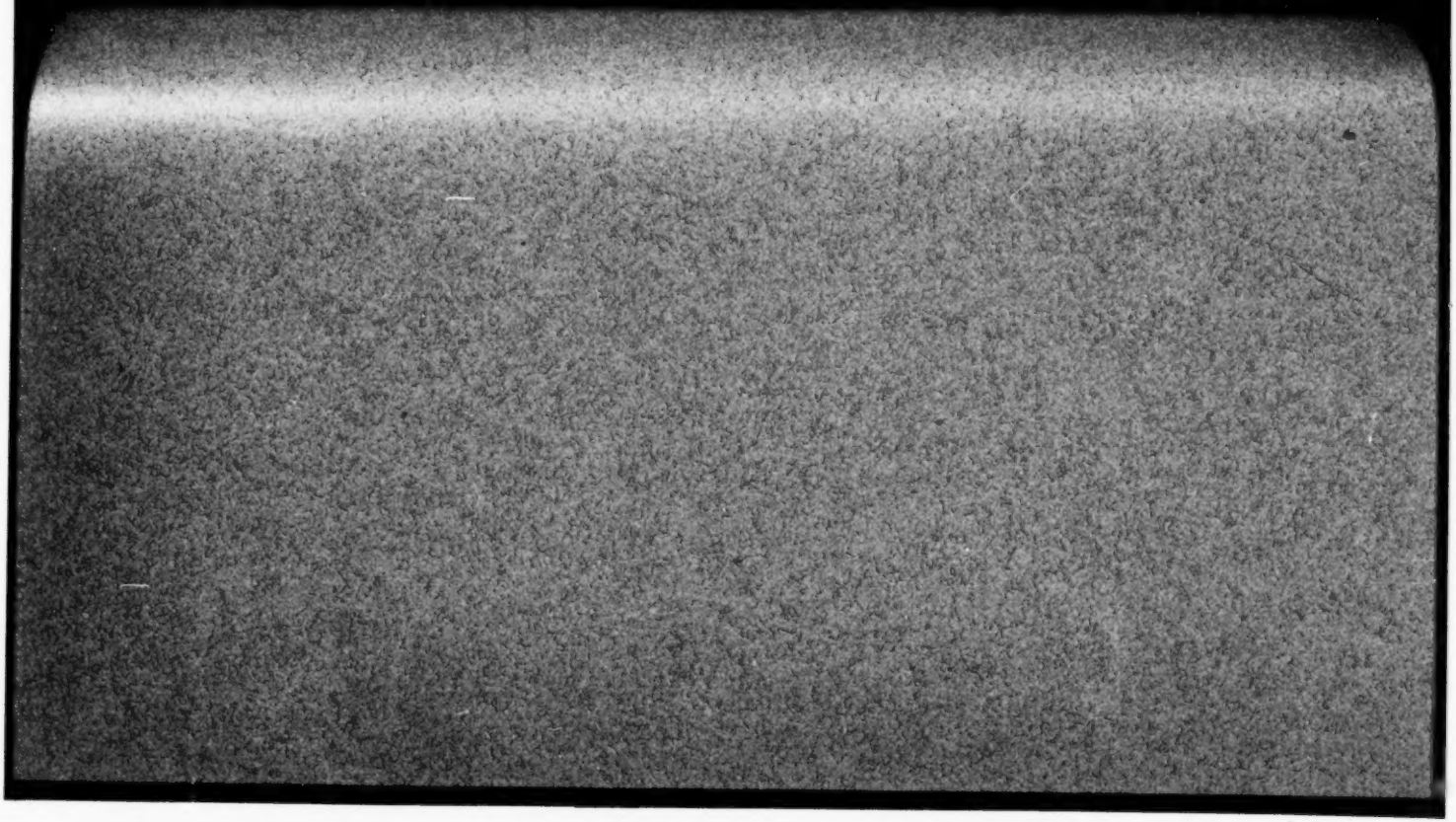
THE STATE OF LOUISIANA,
DEFENDANT IN ERROR.

In Error to the Supreme Court of the State of Louisiana.

BRIEF IN BEHALF OF PLAINTIFFS IN ERROR.

J. F. PIERSON,
Attorney for Plaintiffs in Error.

J. G. Hauser, Print., 402 Camp Street, New Orleans.



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Supreme Court of the United States

OCTOBER TERM, 1900.

No. 129.

THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY OF LOUISIANA, LIMITED, ET ALS.,
PLAINTIFFS IN ERROR,

versus

THE STATE OF LOUISIANA,
DEFENDANT IN ERROR.

In Error to the Supreme Court of the State of Louisiana.

BRIEF IN BEHALF OF PLAINTIFFS IN ERROR.

SYLLABUS.

1. Where appellee files no answer to the appeal, and makes no motion to amend the judgment in his favor, the appeal brings up the case only on the complaint of the appellant, and the court can only pass on that complaint. Suc. Ostrander, 26 An. 451, C. P. 890.
2. The answer must be filed at least three days before *that fixed for the trial,* on the first fixing. Converse vs. Stuart Robinson, 15 An. 434-5.

3. Where the appellee files no answer and makes no motion to amend the judgment appealed from, it cannot be amended in his favor on the appeal. It is then confined to the complaint of the appellant. Talle vs. Monasterio, 48 An. 1234; Gathe vs. Broussard, 49 An. 317.
4. The State can only appear or be made a party to a suit in any civil case, when expressly authorized by law, and when she has a real and actual interest involved. C. P. 15.
5. A reference to the statutes of the State shows that the State can be represented before courts in civil cases by her Attorney-General alone, and even then in proper cases only. State *ex rel.* Hart vs. Burke, 33 An. p. 510.
6. The right of the State by civil action to sue to "annual" or "forfeit" the charter of a corporation is predicated upon the assumption that it has possession of a State "franchise" which the State has the legal right and interest to control and to resume by her suit.
7. The State has no right to sue to "annul" the charter of a corporation, organized under Act No. 36 of 1888, for the pursuit of a purely private business.
8. The Act No. 36 of 1888 of the Legislature of Louisiana, enacted to carry into effect the Art. 247 of the Constitution of 1879, now Art. 275 of the Constitution of 1898, authorizes the pursuit in corporate form of all private business enterprises in this State (except stock-jobbing) under liability limited to the corporate body.
9. The Act is the established public policy of the State on the subject of the organization of such corporations. U. S. vs. Trans. Mo. Frt. Assn., 166 U. S. 340.
10. By the Act the State has relegated the entire subject of their organization to the discretion of persons engaged in private business pursuits.
11. The Act expressly makes it lawful for any number not less than three to constitute the corporation to carry on any lawful business in that form.
12. The discretion is entirely vested in private persons whether they will carry on their private business in that form and with the limited liability therefor under the Act or in some other form of association, such as partnerships or joint stock companies.
13. Private business or enterprises pursued in such form under

that Act are no more matters of public or governmental concern to be supervised by the sovereign power than such private business enterprises are when pursued by private individuals.

14. The State can have no more interest or right to "annul" the charter (which is nothing more than articles of association), in such a case than it would have to set aside the articles of partnership of a commercial firm simply.

15. The legal effect of the Act is to fix and limit the liability of persons engaged in private business pursuits. Such liability incurred by carrying on business only, concerns those so engaged and those with whom they deal. Such liability confers on the State no other or greater rights or interest than that which may arise under any other form of contract.

16. Nor can the State's right to sue in her own name to prevent persons engaged in private business under the Act from continuing in their business, be predicated upon such liability, without extending the State's right to so control all other persons engaged in private pursuits in whatsoever form they may be engaged.

17. The exercise of such control over the private business affairs between the persons so engaged is inconsistent with the civil liberties of the citizen and the rights guaranteed under the 14th Amendment of the Federal Constitution. Allgeyer vs. La., 165 U. S. 589-90.

18. The question whether the relator (the Debenture Company, defendant in the suit No. 56,658) is or not a duly authorized and organized corporation involves only the liability, whether limited or not, of those engaged in the business in the associated name.

19. Such liability concerns only those who hold obligations and liabilities against the association, and they have adequate remedy at their own suit in their own names to enforce their own legal rights. 15 An. 441; 29 An. 369; 33 An. 963; 37 An. 485; 34 An. 534; Williams vs. Hewit, 47 An. 1076.

20. The sovereign State organized for public governmental purposes only, is without any real or actual interest in the pursuit of such private business enterprises between citizens. 117 N. Y. 175; 10 Lawyers' Rep. An. 627-650.

21. The alleged illegality of the business intended to be pursued under the charter includes no right in the State to bring a

civil action to "annul" or "forfeit" such charter, considered as an agreement of association between the incorporators, when no police powers of the State are involved.

22. The rule of law applicable to illegality in contracts or agreements *contra bonos mores* is the maxim, *ex turpi causa non est oritur actio.*

23. In such cases the law refuses any action between the parties themselves, and the State will not lend the use of her name in a suit in the interest of any party to such illegal or immoral contracts or business pursuits.

24. The State's allegation that the sale of debentures by the company, to the debenture purchasers, is illegal, vicious, immoral and *contra bonos mores* brings the case within the rule *ex turpi causa non est oritur actio,* and no action in court can be predicated upon such a contract or upon the agreement to pursue such a business.

25. In an action to declare the non-existence of a corporation and the "nullity" of its charter the non-existing corporate body is not a competent defendant to the action. No such association can appear in court *as a corporation.* It can only sue or be sued in the name of all the members composing it. C. C. 446; Workingman's Bank vs. Converse, 29 An. 369, 371-2; Hincks vs. Same, 37 An. 484, 488-9; Williams vs. Hewitt, 47 An. 1076.

26. Whether such an association can appear in court or become a party to a suit is a question of law, not one of fact with reference to which parties may be estopped for matters *en pais.*

27. The person selected President of a corporation is not thereby special agent for the incorporators or stockholders individually. He is chosen to act for the body only. C. C. 438. And he acts for the corporate body only (C. C. 439); which is different and distinct from all the persons who compose it. C. C. 435.

28. If unauthorized by law or an Act of the Legislature the association enjoys no public character and cannot appear in court except in the individual names of all who compose it. C. C. 446.

29. This action is against the association in its corporate name and capacity only. It is not against the individuals by name who compose it, and the exception that it can not be sued in

that form is "undoubtedly good." Ferally's Case, 34 An. 551; 15 An. 441.

30. The President of the association selected to act for the corporate body only, is not competent to defend in that capacity for the individual incorporators and stockholders, more especially so when they have not been made parties in their own names to the suits.

31. Were the President authorized to represent them in the suit, it cannot be said, that he does so where they are not parties to the suit. He could only represent them by making them parties, and he could only make them parties in this case by intervening in their names.

32. The law (C. C. 446) requires the appearance to be in their individual names, and even if the President were authorized to represent them, there is no appearance in their names in this suit.

33. In a suit by the State alleging the nullity of the corporate charter, the non-existence of the corporate body, praying for judgment to that effect, the alleged non-existent corporate body is not a competent defendant against which judgment can be rendered or enforced. C. C. 446; 29 An. 963; 47 An. 1076.

34. The right to pursue any livelihood or avocation and to make contracts in such pursuits, are ingredients of the liberty of the citizen protected by the 14th Amendment of the Constitution of the United States. Allgeyer vs. Louisiana, 165 U. S. 589.

35. "The business of a debenture-redemption company" specified in the Act No. 171 of 1898, at pp. 407-8, is not an illegal business. It is one expressly recognized by the statute as among the trades, professions and callings pursued in this State and graded by the Act under the Constitution as a basis for the levy and collection by the State of a license tax for its pursuit.

36. Such a business, consisting in the sale and redemption of its debenture bonds or obligations under a system and upon the terms agreed upon, between the company and the purchasers and holders of its bonds is neither immoral, vicious or illegal.

37. An injunction can be obtained by a plaintiff to prevent "an act which he contends may be injurious to him or impair a right which he claims." C. P. 296.

38. Or when it is necessary to preserve property in dispute, to prevent its dilapidation or the defendant from doing some other act injurious to the plaintiff. C. P. 303.

39. The State without interest in the property or under contracts between third persons has no standing to enjoin the private control and administration of the one nor the fulfilment of the other by the third person concerned.

40. A preliminary injunction, issued *ex parte* at the institution of the suit and subsequently dissolved and set aside *in limine litis* by interlocutory judgment of the court, cannot, in the same suit, be subsequently applied for *ex parte* by the same plaintiff, or granted by the court. 19 An. 6; 47 An. 700-1.

41. The preliminary injunction cannot be applied for or issued in a suit after evidence on final trial is closed, argument made and the case submitted.

42. After all incidental questions decided, the evidence of both parties adduced and the argument commenced, no witness can be heard nor proof introduced except by consent of parties. C. P. 484. It is then out of order to raise preliminary questions of injunction after defendant is cut off from making pleas and proof to dissolve it. 32 An. 396; 34 An. 325.

43. The suit by the State to annul or forfeit the corporate charter does not authorize the court, at the instance of the State, without real or actual interest, to enjoin the members of the company from administering the property or the contracts made, in the way adopted between themselves.

44. The nullity or forfeiture of the corporate charter does not involve the forfeiture of the property used or contract rights made in the name of the company, or their administration by those in interest. 15 An. 541; 37 An. 489; 51 An. 1; 24 So. Rep. 629; 117 N. Y. 175-190; 10 L. R. A. 627-650.

45. The corporators are not bound by the citation issued and served in this case. No citation has been issued to or served upon them, either to appear individually or through an agent. The defendants could not be proceeded upon by a citation not addressed to them. Belard vs. Gebelin, 47 An. 166.

46. A court can presume nothing with respect to a party being cited; nothing will cure defect of citation or want of service, except appearing and answering to the merits. 5 N. S. 161; 1 Rob. 30; 13 An. 374.

47. It is well settled by the amplest authority that a judgment rendered against a party who has not been cited and who has not appeared, is an absolute nullity, which can be invoked, not only by the party, but also by any one interested. Bledsoe vs. Irwin, 33 An. 618.

48. A judgment rendered against a person without citing him in the ordinary manner, without his appearing, or anything deemed equivalent to citation or appearance, is utterly void and imports such absolute nullity that any one interested may have it pronounced. 24 An. p. 253; 6 L. R. 577; 9 An. 496; 13 An. 150.

49. The State is a government of fixed laws, rules and regulations under which the energies of the government are exerted for the enforcement of individual rights and the redress of civil wrongs, under rules and regulations provided for that purpose and such personal rights and civil wrongs are to be enforced by and in the name of those interested.

50. Proceedings by and in the name of the State to enforce civil rights of private persons are unauthorized by law and such proceedings by the State are not due process of law within the meaning or intendment of the 14th Amendment to the Constitution of the United States.

51. A corporation not authorized by law or not organized according to law, is without corporate existence; cannot sue or be sued, nor appear in a court of justice as such. C. C. 446.

52. A suit by the State against an association in its corporate name and capacity as the sole defendant, to declare its charter null and void, is a suit without a defendant and is not due process of law.

53. Such a suit could be brought alone against the persons by whom the corporation was sought to be organized. C. C. 446. If they fail to constitute a body corporate there could be none to act as a defendant in such a cause.

54. Due process of law means such an exertion of the powers of government as the settled maxims of law permit and sanction, and under such safeguards for the protection of individual rights as those maxims prescribe for the class of cases to which the one being dealt with belongs. Definition by Story, J., 118 U. S. 370.

55. It means one in the due course of legal proceedings, according to those rules and forms which have been established for

the protection of private rights. 92 U. S. 481. It must be according to the modes of proceeding applicable to the case in hand. 96 U. S. 105; 92 U. S. 480.

56. By due process is meant one which following the forms of law is appropriate to the case and just to the parties to be affected. It must be pursued in the ordinary mode prescribed by law and adapted to the end to be attained, and must give to parties to be affected an opportunity to be heard upon the justice of the judgment sought. It implies more than the mere issuance of process and includes the right of being heard in the defense of the action brought. Marchant vs. Penn. R. Co., 153 U. S. 387.

57. Wherever one is assailed in his person or his property, there he may defend, for the liability and the right are inseparable. This is a principle of natural justice, recognized as such by the common intelligence and conscience of all nations. Hovey vs. Elliot, 167 U. S. 414; 11 Wall. 259.

58. Conceding the non-existence of the corporate capacity, the corporators are entitled to their rights of property in what may have been acquired in the corporate name. 15 An. 541; 37 An. 489. The expiration of the charter does not carry with it the destruction of the ownership of the property which the corporation held during its existence. 51 An. 1; 5 An. 741.

59. An *ex parte* injunction issued preliminarily by an order granted *ex parte* enjoining the persons in charge of property of an association not incorporated, in a case the trial of which has been concluded before the court and the perpetuation of such an injunction in a final judgment signed six days afterwards without notice to or hearing by the parties in possession of the property, is unauthorized and not due process of law, when by the effect of such an injunction such persons are divested of their right and power to possess and control the property in their possession. Such a judgment is not according to the modes of proceeding applicable to such a case, nor does such proceeding follow the forms of law appropriate to the case, nor is it in conformity with the ordinary mode prescribed by law.

60. The debenture business is not illegal in the State of Louisiana, it is expressly authorized by the Act 171 of 1898, at pp. 407-8, wherein the Legislature expressly authorizes its pur-

suit by the levy of a graduated license tax for its pursuit in the State.

61. The Act is the established public policy of the State on the subject of the right to pursue such business. U. S. vs. Trans. Mo. Frt. Assn., 166 U. S. 340.

62. The Act No. 36 of 1888 is express legislative authority to the incorporators to organize and constitute the corporation in this case, under the charter which they adopted; it is the public policy of the State on that subject and the incorporators who avail themselves of the privilege of organizing under the Act, had the legal right to constitute the corporation, and the courts of Louisiana are without jurisdiction or legal right to divest them of such legal privilege.

63. The privilege of pursuing an ordinary calling or trade, and of acquiring, holding and selling property, embraces the right to make all proper contracts in relation thereto. Allgeyer vs. Louisiana, 165 U. S. 590. And authorities there cited.

Statement of the Case.

The State, defendant in error, as the sole complainant, by her Attorney General, brought this suit in the Civil District Court of the city of New Orleans, against "The New Orleans Debenture Redemption Company of Louisiana, Limited", an association claiming to be a corporation organized under the laws of the State. The association alone was sued and summoned in its corporate name, as the sole party defendant in the action.

A copy of the association's charter and amended charter, under which it claimed its corporate capacity, were annexed to and made a party of the State's petition.

The object of the State by the suit, which is to be sought in the prayer of the petition, is to establish and declare primarily, the nullity of the defendant company's charter, and in the alternative that, if the nullity be not declared, then that the charter of the company be declared forfeited; and ancillary to that relief, that the company be enjoined *pendente lite* from doing business under its pretended charter, and that it be enjoined from declaring forfeited or lapsed any rights of its debenture or certificate hold-

ers by reason of the failure to pay installments during the pendency of the suit. (R. 4.)

We view the character of this action as being determined by the nature and character of the relief sought in the petition.

To determine the grounds upon which the State claims to be entitled to this relief a comprehensive analysis of the State's petition is requisite to a proper conception and appreciation of the grounds of the action and the legal principles involved in its determination.

In this analysis, care is rendered the more necessary by the form in which the petition is drawn, the incoherent statement of the grounds for the action and by the indiscriminate intermingling of facts alleged, with conclusions of the pleader drawn from them.

The petition does not contain a "clear or concise statement of the object of demand" as required by the fourth paragraph of the Article 172 of the Code of Practice of the State.

Although lengthy and embracing in the relief sought, in the alternative, two separate, distinct causes of action, the petition is constructed in a single sentence and includes one continuous line of adjuncts and phrases, indiscriminately thrown together without any distinction made between the grounds alleged as the basis for the "nullity" demanded and those for the forfeiture of the charter prayed for in the alternative. Also, it intermingles and blends with obscure facts stated, inferences and deductions drawn from them, rendering it thus difficult to get at the precise facts or specific grounds upon which either the "nullity" or the "forfeiture" of the charter is demanded or to distinguish in the petition between the separate grounds laid for these two contradictory causes alleged.

The case having gone to trial in the District Court for the Parish of Orleans, where a definitive judgment was rendered in favor of the State (R. 389), "decreeing the pretended charter under color of which said defendant claims corporate existence to be null, void and of no effect", and in which it was further decreed "that the President, Secretary and General Manager and the officers, agents, directors, stockholders and members of said so-called corporation are and have been without legal authority to act in cor-

porate capacity in the name of said N. O. Deb. Red. Co. of La., Ltd., and under color of its pretended charter." The appeal having been taken from that judgment by the defendant, in which it was joined by various stockholders of the association, to review that judgment the case was heard and determined in the Supreme Court of the State.

The nullity of the charter on the trial of the appeal in the Supreme Court was alone at issue. There was pending on the appeal, no issue in relation to the "forfeiture" of the charter, because the State did not ask for any amendment of the judgment of the lower court in the event that the nullity should fail to be sustained, and not having done so, the entire issue upon that trial turned upon the question of whether the judgment appealed from should be affirmed or reversed in relation to the "nullity" of the charter demanded. It is therefore necessary with some care in the analysis of the petition to distinguish between those allegations in the petition upon which the demand for the "nullity" of the charter is based and those which relate only to the "forfeiture" *alternately* demanded.

It will be conceded that a charter, which is so absolutely null as the judgment of the District Court decreed this charter to be, is not susceptible of being forfeited. Such a nullity implies the non-existence of the charter, and that cannot be forfeited which does not exist. Hence on the trial of the errors assigned in this case we eliminate all allegations contained in the petition which relate to the "forfeiture" of the charter, and we limit the case here to those allegations alone which support the prayer of the petition for the "nullity" of the charter demanded. This will be necessary in order that the true character and nature of the case may be properly understood when we come to apply those principles upon which the assignment of error in this case are predicated.

Returning now to the petition, the principal facts upon which the nullity is demanded appear to be included in the allegations principally in the early part of the petition, which are as follows, to-wit:

"That the said company is not organized for any purpose "for which the law authorizes the formation of corporations; "that same is a debenture company *formed for the sole pur-* "*pose of selling or borrowing money upon its own obliga-* "*tions or debentures* (our italics),to be paid for by monthly "installments, which the company binds itself to redeem at "a profit of 50 per cent. on the amount invested, which the "company is without the means or capacity to do except "through the continued payment of installments by new "purchasers of its debentures, whose money is used to take "up the older debentures, lapses and forfeitures on account "of inability to pay monthly installments on the part of hold- "ers of older debentures; that said entire system is not le- "gitimate, but is vicious and unjust and must necessarily "fail within a more or less limited time."

The other allegations, scattered through the body of the petition, are in the nature of inferences and deductions from the face of defendant's charter and the nature and character of its business, and such as relate to:

The terms of the contract of sale of the debentures between the company and its patrons and the liability of the purchasers of debentures, through poverty or inability to pay installments under the contract, to lose half their investments under the terms of the contract;

The alleged failure of the Act No. 36 of 1888 to provide a mode for the organization of corporations and the alleged absence of any general law in the State for that purpose;

That the whole object is *in effect* gambling, tending to encourage gambling among the people, and is hence contrary to the Art. 172 of the Constitution of 1879, and therefore the Legislature did not intend to authorize corporations for said purposes; that the company carries on no business within the meaning of the Act; that, if it is a business at all, it is a stock jobbing one, which is prohibited; that the company is bound to fail under its system of business; that the larger the business it does the larger and more widespread will be the resulting losses, and that it is oppressive,

and will work great loss and injustice to the people and give just cause for public scandal and other such like allegations.

We do not understand by such allegations that it is charged as matter of fact, that the company has ever entered into an aleatory contract; laid a wager, made a bet, or that it ever actually engaged in any game of chance or staked any sum or value upon the happening of any uncertain event or that the company by such allegations is brought within the meaning or intendment of the law prohibiting gambling. At least no charge of any such is contained in the petition.

The allegations on these subjects seem to be confined to the effort, to give by construction, to defendant's charter and amended charter, a character to the business of the company, different from that imported in the charter itself, and the one ostensibly intended by the incorporators.

Neither do we understand the petition to charge that the company ever engaged in the business of speculating in—buying or selling for profit—stocks, bonds or government securities or other business included in that of a stock jobber. Taking the business of the company as that imported by its charter the distinction between the debenture business pursued by the company and that of the "stock jobber" is too obvious to admit of dispute.

The debenture business of the defendant company as established by the charter has for its principal object, the administration of trust funds under a co-operative system, intended to secure to the investors, the full investment with a profit of 50 per cent. at redemption, whilst the business of the "stock jobber" is to speculate on his own account and in the interest of himself with his own funds in the purchase and sale of stocks, bonds and government securities. The conclusions alleged in the petition that the business which the company is engaged in is either a gambling or a stock jobbing business are without foundation and exist only in the fertile imagination of the pleader.

From the tenor of the petition as a whole we were at one time inclined to believe that the intention by the petition was to charge

in effect that the incorporators were a lot of unscrupulous people, who intended by the organiaztion, to beguile the public, to entrap the unwary, to defraud their patrons, and to filch the funds of investors without any intention to make any redemption to the debenture holders either of the principal invested or the profits promised. The answer of the company in the court of original jurisdiction was drawn to meet that view and to join the issue squarely upon it so as to open the door to a full investigation on these subjects. The State, when the case came to trial, declined to accept this view and offered no evidence on these subjects. The defendant, however, in the cross-examination of Gordon S. Orme (R. —) sought to make an investigation on the subject of the character, motives and *bona fides* of the incorporators, and the State declined to open up the investigation on these subjects or to permit the defendant to do so, but excluded the subject from the defendant's testimony on the following objections which she made, viz:

> " At this point of the proceedings counsel for the State ob-
> " jected to the introduction of this evidence upon the ground
> " that it was generally irrelevant to the issue presented. (R.
> —).

This objection was repeated by the State during the cross-examination of the witness, J. P. Williams, called by her (R. 181, 182, 183). The evidence objected to by the State related to the motives and objects of the organizers of the company and was upon the subject of whether or not they acted in good faith with honest intentions in adopting the charter, and the objection by the State, that such testimony was irrelevant to the issue presented by her in the petition, is equivalent to the concession that the incorporators acted, in the adoption of the charter and the organization of the company, in good faith and with open and upright intentions. No other conclusion is consistent with the State's position that testimony to show the intentions and good motives of the organizers is irrelevant than the concession that they acted with such motives and by which objection the State waived the right to show that the incorporators were actuated by any other or different intentions or

purposes. We may, therefore, eliminate from the petition all those allegations in it that the business of this company is in effect gambling, or that it is a stock jobbing business, prohibited by the Act No. 36 of 1888. The only grounds left in the petition in relation to the nullity alleged may be reduced to two grounds substantially set up, to-wit:

That the company is not authorized by law; that it is organized for the sole purpose of borrowing money upon its own obligations.

The first relates to the form of organization and involves the contention in the petition that the Act No. 36 of 1888 is not a complete or valid law because it does not provide for a mode of organization of corporations, and because this particular corporation is not provided for by the general laws or any other law of the State. The latter ground relates to the interpretation put upon the charter by the pleader that the business for the pursuit of which the company is organized involves a gambling scheme, tends to encourage a spirit of gambling, is vicious and unjust; that it must fail sooner or later, to the loss and prejudice of those who are induced to deal with it, and that the purpose and business are *contra bonos mores*, against public policy and are null and void; that if it is not a gambling scheme it is a stock jobbing business.

Writ of Injunction.

In the original petition the State prayed that the company, "its President, Secretary and General Manager, its officers, agents, directors, stockholders and members be enjoined from acting as a corporation and from doing business under its pretended charter; that it be enjoined from declaring forfeited or lapsed any rights of its debenture holders by reason of their failure to pay installments during the pendency of the suit." (R. 4.)

Upon the *ex parte* affidavit of the Attorney General "that all the facts stated and allegations made in the petition are true and correct to the best of his knowledge, information and belief"; the judge of the District Court ordered "that a writ of injunction issue as prayed for." (R. 4.)

On the following day, May 21, the defendant company through its counsel, suggested to the court that defendant was enjoined from performing any acts under their charter which was still subsisting and valid and before the judicial decree thereon, and on suggesting further that the injunction operated a great injury to the company; moved the court for an order—after notice to the Attorney General—empowering it to release the injunction on bond. (R. 6.)

This motion was tried contradictorily May 25, and on the 26th the court ordered "that the rule * * * be made absolute in so far as to order that the injunction be dissolved and set aside; without prejudice to plaintiff's rights on the final decision of the case." (R. 6, 7.)

On May 31st, the defendant company appeared and filed a series of exceptions to the suit, which are as follows, namely:

"1st. That the Sovereign State of Louisiana is not rightfully or lawfully a party in or to any or all matters or things set forth or alleged in the petition therein filed and is without interest in the subject-matter of this suit.

"2nd. That the State in its sovereign capacity cannot, without express authority of law evincing her consent, be brought into court or be made a party litigant in any civil proceedings, and can be only in cause in which she is a real party and has an actual interest.

"3rd. That the petition does not set forth or exhibit any cause of action in the plaintiff or right in law to the relief therein sought or prayed for.

"4th. That the issues raised and the matters involved in the petition filed herein relate exclusively to purely business pursuits and avocations by and between citizens in their private character and dealings expressly sanctioned and permitted by the Constitutional and general laws of this State and by the said Act No. 36 of 1888, which does not involve the exercise of any public franchise or function of any public nature or pertaining to any publi cor sovereign rights or powers of the State.

"5th. That the said Act No. 36 of 1888 does not include or confer the exercise of any public function or franchise

"by the associations therein provided for, but relates exclus-
"ively to the right to carry on any lawful business or enter-
"prise (except stock jobbing) in the manner and form there-
"in provided for, without personal liability against the indi-
"vidual stockholders so engaged. Such exemption from lia-
"bility under said Act is a matter which relates to and con-
"cerns only the contractual relations and obligations by the
"individual stockholders with debenture-holders and cred-
"itors of the defendant company, who are the sole parties in
"interest, and these cannot be adjudicated or regulated at the
"suit of the State or without the complaint and presence of
"the parties in interest." (R. 7 and 8.)

On November 18, the defendant company filed the following additional exceptions, namely:

"1st. That the plaintiff in this case has cumulated various
"separate and distinct grounds and causes of action in the
"petition which are contrary to, inconsistent with, and ex-
"clusive of each other.

"2nd. That the proper parties have not been made or
"joined as defendants in this suit to defend the same or
"against whom any judgment can be rendered or made ef-
"fective.

"3rd. That the petition sets forth no interest in the plain-
"tiff, the State, and no right to bring this suit or to stand in
"judgment in this case." (R. 9.)

These exceptions were heard and taken under advisement by the court on Nov. 18. They were overruled by the court on January 2, 1899, in a lengthy written opinion contained in the record, pages 11 to 27 inclusive.

On January 3rd, the State pursuant to the suggestions of the court presented and filed a first supplemental and amended petition (R. 27-28), in which the State recognized at least inferentially that "defendant company" was the sole defendant in the case. This supplemental and amended petition relates exclusively to the issue of capital stock by the company alleged to have been, in effect, done without the cash payment therefor by the stock subscribers; and as such this supplemental petition, exclusively relates to the alternative demand, in the petition, for the for-

feiture of the company's charter under Art. 226 of the Constitution of 1898 of the State, corresponding with Art. 266 of the Constitution adopted in 1879, which provides:

> "No corporation shall issue stocks or bonds, except for "labor done or money or property actually received, and all "fictitious issues of stock shall be void, and any corporation "issuing such fictitious stock shall forfeit its charter."

On January 16, 1899, the company as the sole defendant, appeared and filed, in its corporate name and capacity, the answer (R. 29-31), in which it averred "that it is a duly and legally constituted private corporation, organized in conformity with the laws of the State and expressly authorized by the said laws, especially by the Act No. 36 of 1888 of the General Assembly for the pursuit of the business and enterprise set forth in its charter."

That it was so created and organized by notarial act on the 25th September, 1894, by the twenty stock subscribers by whom the act was made and executed, and who entered into said contract and executed the act under advice of competent counsel for the purpose, and without any intention to deceive, injure or defraud any one, either by themselves or through the instrumentality of the company, but with the *bona fide* purpose, in an honest and honorable way, to carry on the business and enterprise, set forth in the act, in corporate form, under the laws and statutes of the State. That the incorporators were respectable and responsible men, residents of this city and State, who had subscribed each to twenty-five shares, amounting in all to 500 shares, representing $50,000 in capital stock of the company, which they afterwards paid over to the company in good faith; that in the issue and delivery of the stock to them the company acted in good faith, and upon full payment therefor.

That the company was formally and duly constituted, its proper officers and agents and employees selected, authorized and installed, and was organized as an active corporation under the act; that it has since been in the active and public pursuit of its corporate objects and business, not only with the citizens of this city and

State, but with citizens of other States of the Union and others, in the sale of its debentures in accordance with the plan provided in its charter.

That the company has pursued its business without fraud, or intent to defraud any one, or any of its customers or patrons, in any way; that it has never failed or defaulted in any of its contracts or obligations, but has at all times since its organization promptly met and complied with its every obligation without complaint from any person or creditor, and that it is still able to so conduct and carry on its business.

That at the time of the institution of this suit it had outstanding contracts with numerous different customers, patrons and debenture holders, involving large and important trusts, and large sums and amounts which were regulated by the specific contracts made and existing between it and its customers and dealers, all of which are and were legal, valid, and binding, between the contractants; that neither the plaintiff in this case, nor defendant can, in this suit or proceeding, alter, amend or in any manner divest such contracts as between the parties thereto; that none of the contractants have complained or expressed any dissatisfaction to the company with any contract, but to the contrary all of its debenture holders, in their own interest, express the desire that the contract shall, in every case, be complied with.

But it denies that there is any semblance of gambling or wager of any kind in any contract or transaction had by it, or that it ever intended to enter into any contract or transaction including any element of chance, not inherent in other ordinary or non-gambling contracts, and it denies that its business, or pursuit, is in any sense a gambling game or scheme, or that the same is vicious or immoral, but that all its contracts and transactions, in their legal aspect or character, do not differ from those ordinarily made in other lawful pursuits.

Finally, it avers it was organized by its stock subscribers who acted in good faith in its organization for the pursuit of its business in a lawful way; that said business is a lawful avocation and

enterprise, which is neither denounced by the laws or the statutes of the State, nor one inherently immoral, vicious or *contra bonos mores;* that in pursuit of its business it has acted without injury or fraud to any one, or the intent to do so, but it has at all times, and in all transactions, dealt in good faith and fairly with all persons, and promptly kept all its contracts and agreements and fulfilled all its obligations, and in none of which has it ever intentionally or knowingly violated any law of the State or provision of its charter or amended charter.

Subsequently the defendant company tendered, and with the leave of the court, filed on January 31st, it's supplemental answer (R. 31-32) in which it made the following special averments, viz:

> " It avers that the stock subscribers and incorporators by whom the original charter for this company and by which it was created and constituted a corporation was agreed to and adopted, were expressly and specially authorized thereto by the laws and statutes of the State, and especially by the Act No. 36 of 1888 of the General Assembly thereof.
>
> " That the business calling, and avocation for the pursuit of which it was so created and constituted a corporation is a lawful business or enterprise, open to pursuit in any lawful way by any person or citizen; that said business is not an immoral one or one *contra bonos mores,* nor one prohibited or denounced by law, either of this State or of the Federal Government, but same is a legal and lawful business, recognized by the plaintiff, the State of Louisiana, in the Act No. —— of the General Assembly thereof of 1898, and as such is licensed by the State.
>
> " That the purpose of this suit is to deprive the defendant, a duly and legally organized corporation under the laws of the State, of the legal right to engage in or pursue the same in any manner; that this suit as instituted and prosecuted is for a purpose and has for its object one which is in violation of the Constitution of this State, in that it deprives the defendant of its property without due process of law and denies to this defendant the equal protection of the laws of the State of Louisiana and of the United States, and that said object and purpose is in contravention of the Constitution of the State of Louisiana and of the Constitution and amendments there-

to and the laws of the United States, in that said object and purpose is intended to deprive this defendant of its lawful right to pursue a lawful business, calling, or avocation, and said object and purpose is an unlawful discrimination against this defendant corporation and a denial to it of the equal protection of the law in the pursuit of its business."

Upon these issues the case went to trial on the merits and the hearing of the testimony was begun on January 31st (R. 33) and concluded on February 9th, 1899 (R. 224 and 226). The case was then postponed for argument until March 2nd.

After the argument had been concluded and after the oral opinion of the court had been delivered on March 2nd, a second supplemental petition for the State was presented (R. 385 to 388) and allowed by the court (R. 389); in which the State, upon new averments of law and fact not theretofore involved in issue when the testimony was taken and the argument heard; and thereby introducing new issues of both law and fact, after a final trial of the case had been concluded, prayed for another *ex parte* injunction *pendente lite* upon the *ex parte* affidavit of the Attorney General that "the facts stated and allegations made in the supplemental petition are true and correct to the best of his knowledge and belief" (R. 388); enjoining the company, its officers, directors, agents and representatives "from acting as a corporation; from removing the assets and funds (of the company) from the State of Louisiana or beyond the jurisdiction of the court, directly or indirectly or from making any arrangements or negotiations for that purpose; from receiving money or installments on its debentures from any debenture-holder, paying out as surrenders or withdrawals or making loans on said debentures; from forfeiting any of the debentures or rights of its debenture-holders for the non-payment of installments—all until the further orders of the court." (R. 388.)

The grounds for this posthumous injunction set out in this second supplemental petition filed, after the case had been finally tried, are to the judicial mind, extraordinary and novel, irrelevant and wholly inadmissible in any stage of the case.

The grounds set up relate more to suits by the State against debenture companies other than the defendant, and such averments as, that several of them had disappeared or dropped out of existence since the suits brought against them; that other companies had transferred "bodily" their assets to other States to escape an administration of their affairs by the State under the supervision of the court; that still others had conspired and negotiated with other companies organized out of the State in order to defeat the ends of justice; that in other cases before the court the State had shown conclusively that negotiations were being actively conducted between foreign debenture companies and the Cincinnati Debenture Company of the city of New Orleans, by which it was shifting its assets out of the State; that this was being done after the suit against the company had been tried and submitted, and that an injunction had been issued against one home company and afterwards against the Cincinnati Company prohibiting such proceedings; that a large portion of the community was interested in these companies; that recent developments in cases where several of these companies were exposed in court their true character had given cause for much public scandal and loss to the people; that several companies had been placed in the hands of receivers who found little left to satisfy creditors, and other such irrelevances, whereby it appears that the effort was made to saddle off on the company defending, all the alleged delicts of all the delinquent companies in the community and that too without any allegation that the defending company was in any manner connected with or responsible therefor. The only allegation in this lengthy petition at all relating to the defendant company is the illogical and sweeping charge which reads:

> "That the said New Orleans Debenture Redemption Co. of La., Ltd., is herewith specially charged as being guilty of each and every one of the aforesaid allegations, and that though specially charged with gross insolvency, with doing business of a gambling character under the pretense of a charter, it continues to receive monthly from its debenture holders their installments of money due on debentures, prom-

ising to return the same with 50% profit, which its officers know it has not the means or capacity or will ever have the means or capacity so to do, but that said debenture holders by the terms of their illegal contract are compelled to keep up said monthly payments or undergo the penalty of losing at least half of all amounts previously paid by them; that according to the evidence in all the cases heretofore tried the best and most honestly administered company is not worth fifty cents on the dollar, and it is wrong to allow holders to continue to pay monthly installments of which we know they are bound to lose at least one-half the amount paid in on their debentures.

"Petitioner represents that all of said acts complained of would work an irreparable injury to said creditors and debenture holders and to plaintiff in this regard, whose duty it is to see that a citizen and the public are not imposed upon under the color of a State franchise, and therefore warrant good cause for the issuance by this honorable court of its writ of injunction to conserve the assets within the jurisdiction of this court during the pendency of the proceedings herein, to the good of the commonwealth and the creditors and debenture holders of said company." (R. 387-388.)

Upon this supplemental petition and the *ex parte* affidavit of the Attorney General made on February 20th, 1899, the court on March 2, 1899, granted the second preliminary injunction by the following *ex parte* order:

"It is ordered that this supplemental petition be now filed, and that a writ of injunction do issue herein, prohibiting and restraining the New Orleans Debenture Redemption Company of Louisiana, Limited, its officers, directors, agents, and representatives, from removing the assets and funds of said company from this State or beyond the jurisdiction of this court; from paying any money or instalments to its debenture holders; from paying any money on surrenders or withdrawals or in redemption of debentures; from making loans on and from forfeiting any of said debentures or the rights of any of the holders thereof until the further order of this court.

"New Orleans, March 2, '99.

(Signed) "F. A. Monroe, *Judge*." (R. 389.)

But before this injunction was granted or issued the court on the same day, March 2, at the conclusion of the argument, had rendered an oral opinion and rendered judgment in favor of the State, declaring the charter of the defendant company null and void, and accordingly judgment was entered for the State on March 2, 1899. (R. 390.)

On March 6, 1899, the defendant company through its counsel appeared and made a formal application for a new trial on numerous grounds elaborately set forth in its application and contained in the record, pages 390 to 394 inclusive, to which reference is made for the specific grounds on which the application was based. The application was refused on the same day. (R. 394.)

On March 8th formal judgment was written up and signed, the decree of which is as follows:

> "It is ordered, adjudged and decreed that there be judgment in favor of the plaintiff, the State of Louisiana, and against the defendant, the New Orleans Debenture Redemption Company of Louisiana, Limited, decreeing the pretended charter, under color of which said defendant claims corporate existence, to be null, and void, and of no effect.
>
> "It is further adjudged that the President, General Manager and the officers, agents, directors, stockholders, and members of said so-called corporation are and have ever been without legal authority to act in a corporate capacity in the name of said New Orleans Debenture Redemption Company of Louisiana, Limited, and under color of its pretended charter.
>
> "It is further ordered that the injunction heretofore issued, prohibiting and restraining said company, its officers, directors, agents, and representatives, from removing the assets and funds of said company from this State or beyond the jurisdiction of this court, from receiving any money or installments from its debenture-holders, from paying out any money on surrenders or withdrawals or in redemption of debentures, from making loans on and from forfeiting any of said debentures or any of the rights of any of the holders thereof, be now confirmed and made absolute; and is further ordered and adjudged that said company, so called, its offi-

cers, agents, representatives, and members be further perpetually enjoined and restrained from acting in a corporate capacity." (R. 389-390.)

It will be noted that the injunction perpetuated by this judgment, signed on March 8, was granted and issued on March 2, under a supplemental petition and *ex parte* affidavit filed after the final trial of the case had been had; that it was perpetuated not only against the company, the nominal defendant in the suit, but that it operated personally against the "officers, directors, agents, representatives and stockholders" of the company, who were third persons, not parties to the action in which the writ issued; and who, under the Art. 446 of the Civil Code, could not, under the theory of the State's suit, that the company was not a corporation, be proceeded against, except in their individual names. It will be noted also that the legal effect of the injunction, perpetuated by this judgment, was to divest the company and the individuals composing it of the control of the common assets and property held by them and to bring the assets and property under the immediate control of the court without any judicial custodian or receiver appointed or authorized to care for the property.

It will be further noted that the supplemental petition under which the injunction was claimed and issued was not filed till March 2, after the final trial of the case in which it was applied for and not until final judgment had that day been entered in favor of the State decreeing the nullity of the company's charter and its non-existence as a corporate body, and that the injunction was applied for an issued as a preliminary or conservatory remedy "until the further order of this court" (R. 389), after the final disposition of the principal cause of the action had been adjudged, and that the filing of the supplemental petition at that stage of the action was in plain violation of the rules of proceeding provided for in the Code of Practice and the settled jurisprudence of the State existing on the subject and established by the following authorities:

United States vs. The Bank of United States, 11 Rob. 418.

(Sylabus): "Under no circumstances can a supplemental answer be permitted to be filed, after the evidence has been concluded."

On page 428 of the opinion the court, on this subject, said:

"The first is, to permitting W. W. Frazier to file what is called a supplemental answer about a week after the trial of the case had commenced, when all the evidence seems to have been received, and, in fact, on the very day the judge filed his reasons for his judgment. It was objected to as presented too late, and because it had no connection with the original answer, or the matters at issue. We think the court below erred in permitting this document to be filed. It was certainly too late. Every issue should be made, and all answers filed, before the trial commences. It must be an uncommon case, to justify the filing of an amendment, or supplement, to the pleadings during the trial; *and after the evidence is finished, it cannot be permitted.*" (Our italics).

In the case of the Succession of Reagan, 12 An. p. 117, in the body of the opinion, on this subject, the court said:

"The plea presented on the 13th of July, 1855, declares that the appellant had discovered the facts therein set forth, on the 7th of the same month or six days previously to her calling them to the notice of the court. It is obvious what confusion would be introduced into the trial of causes if such a practice were tolerated as to allow new issues of fact to be thus kept in reserve until the evidence was closed and the argument had commenced. Such new issue, if entertained, would require new evidence to substantiate the affirmative; and the opposite party could not, of course, be refused the right of producing evidence to rebut. The case might be different were the fact pleaded, one which had just come to the knowledge of the party pleading it."

It will be noted that the affidavit made by the Attorney General for the injunction was made on the 20th day of February, 1899 (R. 388), and that the petition was withheld until March 2, when the order was applied for and granted and the petition filed.

In Case, Receiver, vs. Watson, 21 An. p. 351, the court said:

"It has been frequently decided by this court, that an answer cannot be amended after the case had been called for trial." And citing numerous authorities.

In Burbank vs. Harris, 32 An. p. 396, the Court, in the opinion, said:

"After the exception (of no cause of action) had been considered and sustained, the plaintiff moved for leave to amend her petition by alleging ownership, which was refused. It was then too late. The amendment was not offered until after judgment, and was, obviously, beyond the power of the court to consider in the then condition of the case. The plaintiff lays stress upon the fact that amendment was offered before the judgment was signed. It was impossible for the judge to entertain it unless he had first set aside the judgment on the exception, and ordered a new trial. As it was there was no case before him."

It will be noted that the new fact set up in this supplemental petition for this injunction was filed on March 2, 1899, and the judgment of the court was entered for the State on the same day, and in fact, before the petition was filed, and therefore the injunction, under this supplemental petition, cannot be considered as forming part of the decree that day rendered upon the trial which had been previously concluded before the court. The Article 544 of the Code of Practice provides:

"All judgments, whether interlocutory, final or definitive, must be correctly entered on the record with the date of the day on which the same were entered."

The Article 547 provides:

"Judgments may be amended by the court until after having been signed, in order—

"1. To order the phraseology of the judgment, but not its substance.

"2. To correct errors of calculation, as, for instance, if more has been given than was demanded, or if the party in favor of whom the judgment was given had been ordered to pay the costs.

"Except in the cases above provided, courts cannot alter their judgments, but they may, *ex officio*, direct a new trial in order to review their judgments."

In the case of Miller vs. Chandler, 29 An. p. 91, the court, in the opinion, said:

"After having rendered judgment in open court, and having it entered on the minutes, the judge might, indeed, have corrected a

clerical error, or a mistake in calculation, but to set aside a judgment rejecting the demand of plaintiff, *ex proprio motu*, and to render a judgment, immediately, in favor of plaintiff for a specified sum, with privilege on the property of defendant, thus changing the entire substance and effect of the judgment first rendered and entered, seems to us most extraordinary, and in excess of judicial authority; and we consider this action of the judge so plainly against the letter of the law that we cannot give it the apparent sanction of our silence, nor incur the risk of allowing it to become a precedent."

"The course which the judge pursued in this cause was manifestly in violation of the law as laid down in the Code of Practice; and it shows the importance of requiring the judges to assign, in writing, the reasons for their judgments, with reference to the law on which they are based, when that is practicable."

It will be noted that the injunction issued on March 2, was perpetuated in the final clause of the judgment as formally written and signed on March 8, whilst it was not, and necessarily could not be, a part of the judgment as announced and entered on March 2, which could only be in response to the issues, evidence, etc., on the trial, which had been had and concluded before the court at that time.

Pursuing the proceedings in the District Court in their chronological order, the next step taken by the State was on March 9th, the following day after the final judgment in the case had been formally signed, when on her application she obtained from the Governor of the State, the following appointment and commission to August M. Benedict as liquidator for the company.

"Filed March 9, 1899.

"STATE OF LOUISIANA, EXECUTIVE DEPARTMENT.

"*In the name and by authority of the State of Louisiana*—

"Know ye that by virtue of the authority vested in me by Section 731 of the Revised Statutes, I have nominated, constituted, and appointed, and by these presents do nominate, constitute and appoint, August M. Benedict, liquidator, to take charge of and liquidate the affairs of the New Orleans Debenture Redemption Company of Louisiana, Limited.

"And I do hereby authorize and empower him to execute and fulfil the duties of said office according to law, after qualifying and giving bond in the amount fixed by the Civil District Court for the parish of Orleans.

"In testimony whereof I have hereunto set my hand, at the city of Baton Rouge, this 6th day of March, in the year of our Lord eighteen hundred and ninety-nine.

"(Signed) MURPHY J. FOSTER,
Governor."

"(R. 396).

This appointment was made by the Governor without any rule against the defendant or notice to the defendant to show cause why the appointment should not be made. It was made under the judgment within the delay allowed by law, for the defendant to take an appeal to the Supreme Court and to suspend the judgment by suspensive appeal bond.

On the same day the appointee, August M. Benedict, a third person, theretofore not a party to the suit, intervened after final judgment rendered and sgined by petition of intervention, praying to be recognized as liquidator under his appointment and to be allowed "to take charge of the affairs and assets of the defendant company, and that the officers of the said defendant company be directed to turn over to him all the assets, books, papers, and other property of whatsoever nature or kind belonging to the said defendant corporation." No notice whatever was given to the defendant of this application and no chance was given it to show why his appointment should not be recognized, or why it should not make a surrender of its property and assets to the appointee.

On the same day, without any notice to the defendant company or other person in interest, the court entered the following *ex parte* order, to-wit:

"It is ordered that August M. Benedict be, and he is hereby recognized as liquidator of the New Orleans Debenture Redemption Co. of La., Ltd.; that his commission be spread upon the minutes of this court, and that letters issue to him as such liquidator upon his taking oath and furnishing bond in the sum of ten thousand dollars, to be hereafter increased as the court mad deem necessary.

"It is further ordered that the officers of said defendant company be directed to turn over and transfer to said liquidator all the assets, books and other property of whatever nature or kind belonging to said defendant corporation.

"It is further ordered that an inventory of all the property of said defendant company be taken by George W. Flynn, notary public, of this city, and let E. P. Andre and E. Blanc be appointed and sworn as appraisers to value the property to be inventoried according to law.

"New Orleans, March 9th, 1899.

"(Signed) F. A. MONROE, *Judge*."

It will be noted that this order of the court was rendered *ex parte*, also without any notice to the defendant company or any of its officers, stockholders or other person in interest, upon the *ex parte* application of a third person without interest in the subject matter of the suit, and that the order had for its object the taking of the property from the defendant company and its stockholders, who were the undisputed owners of the property, and that, too, without the suggestion of any legal reason why they should not continue to administer their own property in their own way and to divest them of the control of the property without the suggestion or co-operation of any creditor or other person interested under them.

On the following day, March 10th, "the defendant company," through its counsel, by motion in open court, applied for and was granted a suspensive appeal to the Supreme Court of the State (R. 388, 389), and it filed its bond therefor the same day (R. 402).

On the same day the stockholders of the company intervened, by petition, for the purpose of joining the defendant company in taking a suspensive appeal to the Supreme Court from the judgment signed and from all subsequent proceedings in the case (R. 399 to 401). This was granted them by order of the court (R. 401), and they filed their separate bond therefor the same day (R. 402 to 403).

Thereupon the case was removed under these appeals into the Supreme Court of the State.

The case was heard and argued in the Supreme Court of the State with five other cases of like character, and was finally submitted on May 18th (R. 413). The opinion was delivered June 22nd, through Mr. Justice Breaux as the organ of the court (R. 413 to 423), and resulted in the following decree, viz:

"For the reasons assigned the judgment appealed from is affirmed" (R. 423 and 424).

On the 28th of June the State and August M. Benedict, liquidator, applied for a rehearing on the grounds set forth in their application (R. pp. 426, 427).

On the 29th the defendant company and the individual stockholders, who were the appellants in the case, filed their joint application for a rehearing in their behalf on numerous grounds, which are elaborately set forth in their application (R. pp. 423 to 436).

On the same day, a second opinion was delivered and another judgment was rendered in the case, which are as follows, viz:

"In this case judgment was rendered in the District Court in favor of plaintiff, dated March 2nd, 1899, signed March 6th, 1899.

"From this judgment defendant applied for and obtained a suspensive appeal.

"On appeal, this court affirmed the judgment of the District Court.

"Subsequent to the date of this judgment, on motion of the Attorney General, the District Court recognized the appointment and commission of the Governor of the State of Louisiana issued to August M. Benedict, and ordered that a commission issue to him as liquidator.

"From this order a separate appeal was taken by a number of the shareholders.

"The law and the evidence being in favor of the plaintiff, it is ordered, adjudged and decreed, that the order issued by the court, recognizing August M. Benedict as liquidator, be annulled, avoided and reversed, and the matter left at large.

"It is further ordered, adjudged and decreed, that all the rights of the parties are reserved as relates to the appointment of receiver or liquidator, to be hereafter passed upon, and that this decree is rendered without prejudice in matter of deciding the question presented in case 13,114, New Orleans Debenture Redemption Company vs. Judge" (R. 437).

The Chief Justice, on June 30th, delivered the opinion of the court on the application for a rehearing, and in that opinion the Chief Justice, on the subject of the issue upon which the case was there argued on the trial and decided in the original opinion, said:

"These cases were argued late in the session. The argument was directed to the question of legality, *vel non*, of the charter under which the respective companies carried on business.

"The illegality of the charter was decreed. The court considered that as the liquidator or receiver, *vel non*, contradictorily with parties in interest, the question can be considered in the District Court, to which the judgment is remanded for execution" (R. 439).

Writ of Error.

The appellants in the State Court, who are the "plaintiffs in error" here, applied for and obtained the writ of error under which the cause was removed into this court.

In the assignment of errors, the grounds are set up in a number of paragraphs, to present the different phases of the errors complained of. For all practical reasons, however, the assignment of errors may be considered in this argument under the following propositions:

That the proceedings instituted in the District Court on May 20, 1898, to declare the nullity of the company's charter, and the consequent non-existence of the company as a corporate entity, were invalid and not due process of law; that the judgment of the District Court declaring the nullity of the charter on grounds establishing the non-existence of the association as a corporation, and the decree of the Supreme Court rendered on the appeal affirming that judgment of the District Court, were so rendered

without due process of law and that the effect of the decree of the Supreme Court of the State is to deprive the association and its associates of their legal rights, privileges and immunities of pursuing a lawful business or enterprise, and to deprive them, without due process of law, of their legal right to possess and control in their own way the common property and effects of the association belonging to them in violation of the Fourteenth Amendment of the Constitution of the United States, for the following reasons, to-wit:

First—Because there was no party plaintiff in the action competent to bring the suit or stand in judgment in relation to the causes alleged, and the State was not properly or rightfully a party plaintiff, and the institution of the suit in her name was without authority of law.

Second.—Because no defendant was notified or cited to appear to defend the suit. The only notice or citation issued or served was directed to and served upon the "New Orleans Debenture Redemption Company of Louisiana, Limited," the defendant association, claiming to be a corporation which could not properly or legally be joined or made a party to the suit, which had for its object a decree to establish the nullity of its charter and consequently its own non-existence.

Third.—Because the second writ of injunction of March 2, 1899, was ordered and issued by the District Court upon a second supplemental petition, in the name of the State, filed after the final hearing of the case and after its final submission for decision. Because the writ was issued upon grounds set forth in said second supplemental petition after final trial of the case, without notice to or served upon any one and because after final judgment had been rendered in favor of the State on March 2, 1899, a clause was inserted in the formal judgment signed on March 8, 1899, perpetuating the writ without notice to or trial had with any one upon the issues raised in the said petition upon which it issued.

Fourth—Because the said judgment of the Supreme Court affirming the proceedings and judgment of the said District Court

operates to deprive these plaintiffs in error of their rights, privileges and immunities as persons and citizens of the State in the pursuit of a lawful business in their corporate capacity as provided for in their charter.

As originally instituted in the District Court on May 20, 1898, the principal object of the action was to have the charter of the company judicially declared to be without authority of law and null and void *ab initio*, and incidentally to enjoin the company, its officers, agents and representatives, from continuing to act as a corporation or pursuing business under its pretended charter, and, furthermore, to enjoin the company from declaring forfeited or lapsed any rights of its debenture holders for their failure to pay installments maturing during the pendency of the action.

As originally filed, the suit included the alternative object or purpose in case the charter should not be declared null and void, that it should be in that event decreed forfeited upon the grounds set forth.

In as much as the alternative event, upon which the relief for forfeiture was demanded, never happened, the demand for forfeiture of the charter dropped out of the case when the final judgment of the District Court was rendered on March 2, 1899, declaring the charter null and void as primarily prayed for.

The appeal was taken by the defendant company (R. 398) and by the individual stockholders (R. 399-401) to annul and reverse the judgment of the District Court decreeing the nullity of the charter of the defendant company and the subsequent proceedings in the District Court. There was no judgment of forfeiture rendered in the District Court, and hence the issues originally involved in the suit were not carried up by the appeals taken, and these issues in relation to forfeiture were not involved on their appeal under which the case was taken up. The State did not join in the appeal in the Supreme Court or pray in that court for an amendement of the judgment of the lower court to decree the forfeiture of the defendant's charter in case the judgment of the Dstrict Court decreeing the nullity of the charter should be re-

versed on the appeal so as to include the issue over the forfeiture of the charter before the Supreme Court on the appeal. The only issue, therefore, upon which the case was carried by appeal to the Supreme Court was that in relation to the nullity of the charter.

In order to bring up the issue in relation to the forfeiture of the charter it was necessary that the State, as appellee, should pray, under C. P. 889, for an amendment of the judgment of the lower court in her favor in relation to the forfeiture originally demanded. This rule is the settled jurisprudence of the State under the following authorities, to-wit:

> "Where appellee files no answer to the appeal and makes no motion to amend the judgment in his favor, the appeal brings up the case only on the complaint of the appellant, and the court can only pass on that complaint." Succession of Ostrander, 26 La. An. 451. See Talle vs. Monasterio, 48 La. An. 1234; Gathe vs. Broussard, 49 La. An. 317, to the same effect.

The writ of error brings up the case for review here upon the issues upon which it was heard in the State Supreme Court, and this confines the object and purpose of the suit to the original demand for the nullity of the charter to which we limit the discussion of the case here.

As we have seen the injunction originally issued on May 20th, 1898, was dissolved and set aside May 26th (R. 6), and it thereafter ceased to be an object of the suit.

The consideration of the right to bring this suit in the name of the State must now be limited to the single object or purpose to annul the charter; the original issues in relation to the State's right to forfeit the charter having been finally disposed of before the case reached the State Supreme Court, to which the writ of error in this case was directed.

First.

The State is not rightfully or properly a plaintiff in this suit, and the institution of the suit in her name is without authority of law and is itself null and void, and not due process of law.

The position of counsel for plaintiffs in error is that the State's name cannot be used as a plaintiff to bring a civil action where only the private or individual rights of persons are involved.

In the State, the fundamental principle prevails of a government by fixed laws, rules and regulations, under which the energies of the government are exerted for the enforcement of individual rights and the redress of civil wrongs, in the manner and under the rules and regulations provided for that purpose. It is not the intention of our form of government that the personal rights of citizens should be enforced or their civil wrongs redressed by civil action in the name of the State by her direct intervention, but individual interests are to be asserted and enforced in the name and at the instance and suit of the persons in interest by the proceedings provided by the State's laws for that purpose.

When the State is brought into Court in a civil proceeding, she is governed by the same laws, rules and regulations which apply to other litigants. She certainly cannot complain when held to observe the rules and regulations which she has enacted for the control of all others.

The Code of Practice, Article 15, provides:

> "An action can only be brought by one having a real and actual interest which he pursues, but as soon as that interest arises he may bring his action."

The theory, upon which the right to use the State as plaintiff in this case, appears to be rested on the idea that the association or company is in possession of and exercising some "franchise" of the State or some public or special privilege or immunity which does not belong to the citizens of a country generally of common right. The objection of the plaintiffs in error to the use of the State's name is predicated upon the view that no such "franchise" of the State is involved in the object or purposes of the suit, and that the suit did not involve any public or special privilege or immunity which does not belong to the citizens of the State generally and of common right; that the suit, as instituted, did not involve any public right, privilege or prerogative whatever, within

the State's right of separate control, and that she is without any real or actual interest in any of the objects or purposes which the suit was instituted to accomplish.

Looking to the law under which the company was organized, and the objects and purposes for which the organization was effected, we fail to find that the defendant company acquired, by its organization, any public "franchise" belonging to the State, or any public or special privilege or immunity which does not belong to the citizens of the State generally or of common right; nor do we find in the object or purposes of its organization anything over which the State has the right of separate control, or other matter in which the State has a direct interest either pecuniary or prerogative.

The company was organized under Act No. 36 of 1888 of the State, in the city of New Orleans, on September 25, 1894, by some twenty persons, corporators, who met and adopted its charter by an act passed before Henry L. Garland, notary public (R. 226-230).

The organization was effected for the purpose of carrying on the debenture business, which it afterward pursued at its office in the city of New Orleans from October 1, 1894, without disturbance until this suit was filed against it on May 20, 1898.

The Act No. 36 of 1888, under which it was organized, provides:

> "Sec. 1. That it shall be lawful for any number of persons, not less than three, upon complying with the provisions of the laws of this State governing corporations in general, to form themselves into and constitute a corporation for the purpose of carrying on any lawful business or enterprise, not otherwise specially provided for, and not inconsistent with the Constitution and laws of this State," "provided no such corporation shall engage in stock jobbing of any kind."
>
> "Sec. 3. That no stockholder of such corporation shall ever be held liable or responsible for the contracts or faults of such corporations in any further sum than the unpaid balance due to the company on the shares owned by him."

We will search this Act in vain to find in this association, organized under it, any "franchise" belonging to the State or any special privilege or immunity conferred upon it, which does not belong to the citizens of the State generally or of common right. The authority to organize and constitute the so-called corporation is not conferred by the Act upon the corporate body itself, but is expressly conferred upon and limited to the individual incorporators; the right under the Act to constitute the corporation is a privilege confined to the corporators organizing it.

There is a plain distinction between the authority or privilege "to organize a corporation," and the "objects and purposes" of a corporation, or what is to be done or acquired by the corporate body after its organization. Andrews Bros. vs. Youngstown Coke Co., 86 Fed. 590, and authorities there cited.

> "The essential properties of corporate existence are quite distinct from the franchise of the corporation."
>
> "The franchise of being a corporation belongs to the corporators, while the powers and privileges vested in and exercised by the corporate body as such are franchises of the corporation." Memphis R. R. Co. vs. Commissioners, 112 U. S. 619.

The "objects and purposes" of corporations constituted under this Act and the "powers and privileges vested in them," to be exercised by them under the Act, is expressly limited by the Act to "the purpose of carrying on any lawful business or enterprise."

It will not be contended, we presume, that the right to carry on any lawful business or enterprise" is a "franchise" belonging to the State, or one which she has the right to confer upon or withhold from individuals or corporations. The sole "powers and privileges" which are conferred upon the corporation under the Act, organized under it, is the right of carrying on any lawful business or enterprise."

And this right to pursue a lawful business was not a prerogative of the State, nor one which she could grant to persons or take away from them. Such is an inherent right reserved to the

people themselves. Such a right the State can neither give nor take away.

Speaking on this subject the court, in the case of Allgeyer vs. Louisiana, 165 U S. 589, 590, said:

> "The liberty mentioned in the amendment (14th) means not only the right of a citizen to be free from the mere physical restraint of his person, by incarceration, but the term is deemed to embrace the right of the citizen to be free in the enjoyment of his faculties, to be free to use them in all lawful ways, to live and work where he will, to earn his livelihood or avocation, and for that purpose to enter into all contracts which may be proper, necessary and essential, to his carrying out to a successful conclusion the purposes above mentioned.
>
> "This right is a large ingredient in the civil liberty of the citizen—the liberty of pursuit—the right to follow any of the ordinary callings of life is one of the privileges of a citizen of the United States."

We do not wish to be understood as dissenting from the doctrine of the plenary power of the State over the subject matter of creating or authorizing such corporations, and we concede that her power to grant or withhold charters, as well as to grant or withhold authority to others, to constitute such corporations is unlimited. What we here insist is, that where the State has acted through her Legislature and authorized the organization of the corporation, and such corporation has been constituted under her authority that, in common with other persons, it cannot, after its creation, be denied the common right to pursue any lawful business or enterprise not inconsistent with the objects and purposes of its creation; and that is precisely what the State is attempting by this suit to do in relation to the company, plaintiff in error, in this cause.

It will, therefore, be seen that the privileges and benefits conferred by the first section of the Act No. 36 of 1888 are to the corporators in permitting them to constitute a corporation for such purposes, and it is not a privilege or a benefit conferred upon the corporation itself, to be exercised by it, after its creation.

It certainly cannot be said that the company enjoys any special privilege in its right "to carry on any lawful business or enterprise" which does not equally belong to all persons, who have the equal right to carry on the same business or enterprise, for such is not a right peculiar either to corporations or to individuals.

The Legislature, indeed, did not possess the power to confer any such "special privilege" or "franchise" on private corporations.

Suffice it to say that the Legislature did not confer the right of business pursuit upon corporations organized under the Act to the exclusion of the right of all other persons equally to engage in the same pursuit, and it does not confer upon corporations organized under it any right "which does not belong to the citizens generally or of common right."

Is it true that the power existed in the Legislature to withhold authority to organize corporations for the pursuit of private business enterprises.

But when the Legislature, by the Act of 1898, authorized the organization of corporations for the pursuit of all private business enterprises, it became a common right in all citizens to unite and form such corporations for the purpose authorized, and, when they did so, it is not seen where the power exists to take away the right thus exercised and established under direct authority of the Legislature itself.

The right of the incorporators in this case to "associate" and carry on any lawful business or enterprise is not derived from the Act of 1888; that right they had before the Act was passed, for they had the right to unite and combine their energies and capital to carry on any lawful business or enterprise without the aid of the Act.

But, of course, they could not do so without incurring the resulting liability flowing from their transactions.

The Act, however, does confer upon the corporators the right and power to do this in the form provided, under the limited liability in the Act, for it provides:

"That no stockholder of such corporations shall be held liable or responsible for the contracts or faults of such corporations in any further sum than the unpaid balance due to the company on the shares owned by him." But this limited liability is in favor of the stockholders or incorporators, not in favor of the corporation itself, for there is no limit fixed for the liability of the corporation, it is only in favor of the stockholders.

Reduced to the last significance, the Act is only an exemption from personal liability of the stockholders for the transaction of the business, but this limit to liability of parties engaged in business transactions can only concern the persons so engaged in the business who have the right, by their covenants and contracts, to fix other limits to their liability in their business pursuits, and they always have under their own control liabilities of those engaged in business with them. Such liability in business transactions only relate to and concern the parties to the tranactions.

If the company, indeed, be not a corporation, then the liability of the incorporators and stockholders is not limited under the Act, and creditors holding the company's obligations have adequate remedy at their own suit to enforce all liabilities arising against the stockholders. Williams vs. Howitt, 47 An. 1076, and authorities cited.

Taking this view of the case, as presented by the State's petition in the District Court, we are unable to say what rights, interests or prerogatives, are involved, which rise to the dignity of public matters or above those ordinary transactions between citizens in their everyday life.

Whence comes the right of the State if only personal, private and individual matters are involved in the business pursued by the company to bring the suit in her own name to settle such personal matters? If she can sue in such a case, why cannot she likewise sue in every case where a citizen holds a promissory note past due against another citizen? The recognition of such a doctrine and the establishment of such a practice would be subversive

of all our notions of the proper functions of our governmental agencies.

Again, if we should concede that the incorporators in this case organized this company for the pursuit of a business or enterprise, as charged by the State, for purposes and objects which are vicious, illegal, immoral and *contra bonos mores*, they would still be transactions of a private character between citizens, and we do not understand the rule of law ever to have been applied to such illegal transactions, not amounting to actual crimes, which would justify the State in going into court to inquire into them.

The rule of law, as we understand it on this subject, is of universal application and just the reverse of such a practice. As we understand it, the law cannot lend its aid to enforce reprobated contracts or to settle disputes between parties in relation to them; in all such cases the State leaves the parties in the position in which their reprobated contracts place them, giving to neither party the right of redress under such contract, nor for the enforcement of any rights personal to them. The familiar rule *ex turpi causa non oritur actio* has been uniformly applied to such cases, and we have not yet found any case where the State has intervened under such a contract between the parties either to declare its illegality or to enforce or set aside the contracts which are so reprobated.

The penalty of the law is inflicted by withdrawing the government's protection and authority from the persons so engaged. We know of no case in which the rule has been differently applied to private corporations of the class to which the one under consideration in this case belongs. Such corporations are substituted for persons, and when so substituted for the pursuit of a purely private business it is not seen how the effect of the laws can be different as to contracts made by such artificial persons from those in relation to individual or natural persons pursuing like avocations. Both are persons equally before the law, and if the State may not, in the one case of an individual, intervene in the business for the purpose of establishing his resulting obligations

from the business transacted, it is not seen how she can do so in the other case of a private corporation like engaged, and which cannot be differentiated in any legal sense.

Hence, whether the charter of the Debenture Company in this case, enacted by its incorporators, be legal or illegal, it occurs to us cannot effect the right of the State to bring the suit or stand in judgment upon it any more than in any other like contract between other private citizens. If we are correct that the same rule applies to those private corporations that control contracts made by individuals, it seems clear that if the charter be regarded as an illegal act, the State can refuse all relief to parties engaged in or connected with the reprobated acts and contracts. She will neither, herself, sue in the matter or entertain in her courts such a suit over the subject matter between the parties so engaged themselves, but she will leave them without remedy where their reprobated conduct places them to suffer the consequences of their own illegal acts.

The right of the State to plead or establish the illegality of the charter on the grounds alleged in this case appears, from the petition, to be based on the notion that the business and the transactions had by the company, under the charter, will injuriously effect the pecuniary rights and interests of those persons who invest in the purchase of its debentures. We cannot see what interest or right the State has to establish, if she can, the nullity of the charter on the ground that the business pursued under it is illegal and *contra bonos mores*, when, as we have seen, the sole legal effect of a judgment decreeing the nullity on such ground would be to deny the stockholders and members of the company the limited liability established under the Act of 1888. Such a limitation of their liability can only concern creditors holding obligations against the company or its members. As we have seen, if the business, indeed, be illegal and *contra bonos mores*, as alleged by the State, then the debenture holders, in whose interest the State claims to act, are themselves parties to the illegal transaction, and under the rule cited they would not be permitted to sue in their

own interest to establish any rights in themselves from such illegal transactions. It, therefore, seems clear that the State is without interest and without right in law, in her own name, to sue to establish the nullity of the charter on such grounds.

But it seems no less clear that if we admit that the debenture holders have the right, in their own interest, to sue to enforce the obligations of the company or its members in their favor, that such a right is one personal to them to be exercised only by them in their own interest. Such a right of action can no more be exercised by the State than one upon a promissory note due from one citizen to another of the State.

An elaborate opinion on this subject was delivered in the Supreme Court of New York, by the Chief Justice Earle, in the case of the People vs. Lowe, 117 N. Y. 175-190. The court there entered into a review of the authorities on the subject of the State's interest in and right to control such matters by a civil action in her own name, and, on page 190, said:

> "The people of the State, like all other parties to actions, must show an interest in the subject matter of the litigation to entitle them to prosecute a suit and demand relief."
>
> "The people of this State have no general power to invoke the action of the courts of justice by suits in their name of sovereignty for the redress of civil wrongs sustained by some citizens at the hands of others. When they come into court, as plaintiffs in a civil action, they must come upon their own right for relief to which they are themselves entitled. It is not sufficient for the people to show that wrong has been done to some one. The wrong must appear to be done to the people in order to support an action by the people for its redress."
>
> The Attorney General, in an action brought by him, represents the whole people and a public interest, and not merely individuals and private rights."

On page 193 the court, after a review of the authorities on the subject, further said:

> "Suits like this are a new invention. We believe they were unknown to the generation of statesmen, judges and

lawyers, living at the time of the adoption of the Revised Statutes, and for more than fifty years after that time no trace of such an action can be found in the reports of this State."

On page 195 the court added:

"Neither public nor private interests require the maintenance of such a suit as this. The private parties who feel aggrieved in such cases have ample remedies to redress their wrongs by proceedings in their own names; and why should not the complaining members of this corporation redress them in that way at their own expense and risk?"

Again it is claimed that the State has a right to sue in all cases where parties are claiming to act under a charter in a corporate capacity. Such was the English rule when all corporations included the exercise of franchises vested in the King's person which belonged to the crown and which the King, under his prerogative rights and powers, could vest in the corporate body and retake at his pleasure.

The right of the sovereign to sue by *quo warranto*, or information to recover the "franchise," was predicated upon the sovereign ownership of the "franchise" of the corporation and which was administered by the corporation under the authority of the sovereign having the right of control over it. This ownership, of course, included the interest, and hence the right to sue in the sovereign granting the franchise, and the suit by the sovereign to recover the franchise was predicated upon a real and actual interest in the sovereign, implied by the ownership of the thing sued for. But as we have seen the right and interest of the sovereign to the franchise sued for, on which those adjudications are predicated, are not found to exist in the case at hand.

It is true the English rule on this subject was early adopted in the jurisprudence of most of the States, and the rule has since been changed and modified by the Statutes of most of the States to adopt the rule to the State's requirements. But this jurisprudence, as well as such enactments, are all intended to apply to corporations exercising or administering "franchises" which were

the subject of governmental control and ownership, and which formed the subject matter of the suit by the sovereign in the proceedings by *quo warranto* or information.

The tendency of late years of some of the States to the policy of extending the scope of corporate influence and action to cover the entire field of human industry (as in this State with the single exception of stock jobbing), and to include all private business pursuits, has extended the sphere of corporate action to cover all private pursuits in common with all other persons and citizens. And in this way corporate action has been authorized to engage in private pursuits and individual enterprises which have heretofore been ranked among the reserved rights, privileges and immunities in favor of the whole people of the State and over which the State, under her constitutional limitations and fundamental restrictions, can lay no claim either to own or specially control; and these are quite dissimilar and distinct from those "franchises" controlled by the crown under the English rule in those cases where the crown was admitted to sue for their recovery into the hands of the King. They are also quite distinct from those public or *quasi* public franchises let to corporate administration by the States in cases where the State has been admitted to sue for their recovery. But in all the cases under that rule the right of the sovereign to sue and reclaim the possession or control of the franchises, or recover them from the corporate administration, was predicated upon the sovereign ownership of the franchise or the special right to control its administration. This rule, however, will not apply to corporations such as the one sued in this case, and which are engaged in those private pursuits and private industries included in the reserved rights common to all the people and the control of which is denied to the State by those constitutional limitations and restrictions in favor of the liberty of the citizen; because the State, in this class of cases, is without the ownership or right to control the private business pursued by those corporations authorized by law and organized for that purpose. The State's right to sue must be limited under the old rule to those cases where the

State has the ownership or right to control the business conducted or "franchise" pursued or administered by the corporation, and where the State has the right and interest to inquire into the business transacted.

Admiting the right of the State to sue where the only franchise of the corporation is the right to pursue the ordinary private business or avocations common to society, would be to allow the State to grow out of the sphere of her constitutional limitations, and to allow her to acquire a surveilance over the pursuit of those private business avocations the control of which she has heretofore been debarred from exercising.

Second.

The defendant company, in its corporate capacity under the law of Louisiana, could not be made the defendant in the suit having for its object a decree declaring its own non-existence as a juridical person.

It would be a competent defendant to declare the forfeiture of its charter, but in the nature of things it cannot defend the suit the object of which is a denial of its own existence. The company, in its corporate capacity and in its corporate name, alone was sued and the judgment rendered by the District Court, which was affirmed on the appeal in the Supreme Court, declares: "The pretended charter under which said defendant claims corporate existence to be null, void, and of no effect, and that "the general manager and the officers, agents, directors, stockholders and members of said so-called corporation are and have been without legal authority to act in a corporate capacity in the name of said New Orleans Debenture Redemption Company of Louisiana, Limited, and under color of its pretended charter."

The State brought the suit against the company in its corporate name and capacity; alleged in effect that it was not an incorporated body and hence that it was one that could neither sue nor be sued, and that it was one without capacity in law to appear in

court to defend the suit or for any other purpose. Hence the company is not and cannot be the proper defendant in such an action.

On this subject the Louisiana Civil Code, Article 446, pointedly says:

> "Corporations unauthorized by law or by an Act of the Legislature, enjoy no public character, and cannot appear in a court of justice, but in the individual name of all the members who compose it, and not as a political body; although these corporations may acquire and possess estates, and have common interests as well as other private societies."

The courts of the State have heretofore uniformly, in the enforcement of this article, refused to recognize in this class of cases associations which are not authorized by law or established according to law as corporate bodies.

In the case of Soller vs. Mouton, 3rd An. p. 542, the Supreme Court, applying the two Articles 432 and 446 of the Civil Code, said:

> "The contract was with an association. If the association was an unincorporated one, the suit should have been brought in the name of all individuals composing it; if incorporated, in the corporate name."

In the case of Workingman's Accommodation Bank vs. Converse, 29 An. 371-2, the Supreme Court of the State said on this subject:

> "When the Legislature has declared that corporations unauthorized by law cannot appear in a court of justice in their corporate name, we understand that courts must say to them when they do so appear that they cannot be heard. A sound ethics will not be abraded when the parties who thus shelter themselves behind this prohibition can be pursued by the individuals who compose the corporation when suing in their name. And that is what the Code permits—not only permits, but prescribes—that courts shall not hear their demands when appearing in any other capacity."

Again, in the case of Congregation, etc., vs. Farrelly, 34 An. p. 534, the Court said:

"The petition was originally filed in the name of the Congregation, as if it were a corporation. Exception was filed that, not being incorporated, the congregation could not sue in that form. The exception was undoubtedly good." (Authorities.)

The Court further said on this subject, in the case of Commissioners vs. Converse, 37 An. p. 488:

"The learned counsel for defendants advances the startling proposition that there exists two kinds of corporations under the law of Louisiana, viz: corporations *authorized by law* and corporations *unauthorized by law;* arguing therefrom that the Workingman's Accommodation Bank, though decided not to be a legal corporation, was nevertheless a corporation of some other kind (an *illegal* one, we suppose), and as such, can alone stand in judgment against its clients. With due respect, the proposition has not the slightest foundation. It is utterly inconsistent with the definition of the nature and qualities of a corporation as given in Articles 427, 432, 433, 436, 437, etc., of the Code, among which we will mention that it is an intellectual being considered for some purposes as a natural person; that it must be authorized by the Legislature or established according to law; that it must have a name, and in that name *must* sue and be sued, and do all legal acts; that its members can neither sue nor be sued, etc. These are essential qualities of a corporation, without which it cannot exist."

In the case of Williams vs. Hewett, 47 An. 1081, the defendants claiming to be a banking corporation, but who had not complied with statutory requirements, and whose charter was therefore not authorized by law, were sued individually by the plaintiff, a depositor, as a commercial partnership and as liable *in solido* for the debts of the association, and they were there so held by the Court as not being a corporation, and the suit against the individuals was maintained.

It may be therefore considered as settled in Louisiana by statute, supported by its jurisprudence, that an association claiming to be a corporation which is not organized according to law or which is not authorized by law cannot appear in court—cannot

sue or be sued—except in the name of all the members composing it.

In this case the anomalous condition is presented of a suit in court against a defendant, which the plaintiff in the suit alleges in effect, is not *in esse,* and which the court, in the judgment rendered, judicially declares does not exist. We scarcely know how to contemplate judicial proceedings under such anomalous conditions. If there indeed be no defendant in the case we cannot understand how an issue could be formed or joined to act as the basis for a judgment to be rendered. The judgment rendered in the District Court, which was affirmed in the Supreme Court of the State is against the "New Orleans Debenture Redemption Company of Louisiana, Limited," which is an association in that name claiming to be a corporation—a juridical person—and in which capacity alone it can exist or appear in court or elsewhere, and yet in the body of the judgment itself it is judicially, finally and solemnly decreed that no such corporation or judicial person exists.

According to the terms of the judgment, there is no defendant in the case, and the judgment therefore exists against no one. The judgment itself is self-destructive; rendered against no one, and the proceedings upon which it rests are without legal effect, for there cannot be contradictory judicial proceedings without the parties necessary to form them contradictorily with each other.

This is not the only objection. Even if we view the company as a corporation, a juridicalperson, still it was not a party to the charter, which is the act sought to be annulled by the suit. The charter is the act, exclusively of the incorporators by whom it was adopted, and none of whom were cited or notified to defend the suit or made parties to it.

The general rule is that in all suits to annul contracts and acts for fraud or illegality, all the parties to the act sought to be annulled, or having an interest against its annullment, should be made parties to the suit to have the nullity declared. The courts of Louisiana have heretofore uniformly declined to declare such

acts and contracts null or void without having the parties to them or interested under them before the court to defend the action.

In the case of Burney vs. Ludeling, 41 An. 637, where simulated sales and contracts were assailed and all the parties to them or interested under them were not cited or joined as defendants, the court, quoting from Block vs. Bordelon, 38 An. 696, said:

> "That all parties in interest should be joined in a suit and made parties thereto, when that interest was directly involved, would seem axiomatic. Especially would we be impressed with the truth of this proposition in a case where it was charged that a contract to which there were two or more parties, was null because they were guilty of fraud in making it. It would seem highly unjust, if not impossible, to investigate and determine the fraud charged, and even to annul the contract—the subject of it—when only one of the alleged wrong-doers was before the court, and the other not heard at all, and no opportunity given him to be heard. So far from this seeming requirement being observed in the case before us, we find that those who are not charged as participants in the fraud complained of, and in no light to be viewed other than mere innocent beneficiaries of the same, are alone sued, whilse the one who is accused of planning and consummating the fraud, and who inaugurated and conducted the proceeding by which the purpose was accomplished, is left entirely out of the case, neither sued nor cited." 41 An. p. 637.

The court there further said:

> "In view of these authorities we think the various parties to the sales and contracts enumerated should be cited and made party defendants, because, in their absence, no decree could be rendered affecting them."

In Block vs. Bordelon, 38 An. 699, upon the subject of the necessity for making all parties in interest parties to the suit, the court *arguendo* further said:

> "How can it be determined whether, for instance, in a contract of sale, it was made in fraud of creditors or in good faith, and whether in good or bad faith, that it was not injurious to creditors, when the vendor was not before the court? Could such vendor with any color of justice be condemned in these important respects without a hearing? It seems that

such a course would not only be violative of a fundamental right, but would necessarily oftentimes work the grossest injustice."

Whilst the principles above were applied to those cases involving the revocation of sales and contracts for fraud and simulation, the same principles there announced, apply with no less pertinency to this suit, wherein the State sues to have the charter of this company annulled on grounds of fraud and illegality, contradictorily with the asociated body, the innocent non-participating beneficiary alone as the defendant, whilst those whom it accuses of planning and adopting the charter for the accomplishment of the obnoxious purposes alleged in the petition, and who constituted the corporation, are left entirely out of the case, neither sued nor cited.

In no event could the corporation be a party to the act—the charter—by which it was constituted, and whilst the act is the thing sought to be annulled by the suit, the constituted body alone is cited to answer, but none of the persons by whom the charter was adopted are cited, notified or made parties. The party cited or notified to defend was not and could not be a defendant in the action; and those who were the real defendants interested, and the only parties whose liability could be affected by the judgment, were not cited or notified. The suit, therefore, as it was instituted, prosecuted and decided in the District Court of the State was one in which there was no defendant cited or notified, competent to sue or be sued or to appear in a court of justice for any purpose.

The position was assumed in the written opinion of the District Court filed (R. p. 15), that the defendant company is estopped in this suit from denying its corporate existence, and the attempt was there made to apply in this case the estoppel applied by the Supreme Court in the Linigan case, 46 An. 1125.

There is no similarity between the two cases. In the case at bar, the State, in her petition, judicially asserts the non-existence of the corporate body of the defendant, by alleging the nullity of its charter and by alleging in effect that it is not a corporation.

The State is thereby estopped from asserting for any purpose of this suit that the defendant company is a corporation. It was the duty of the State to bring into court proper and competent defendants to defend the action, under her theory and allegations that the defendant company was not a corporation or a juridical person which could be brought into court for any purpose, and the court was first bound to hold her to this position to vindicate and maintain the sanctity of its own proceedings.

Denton vs. Irwin, 5 An. p. 21-2:

"The law holds parties to their allegations of record. It does not allow them to play fast and loose, to falsify what they have solemnly declared to be a fact—the truth. They are not subject to explanation or contradiction *ab extra* as a rule; so that what appears to be of record is to be proved thereby only, and nothing conflicting therewith can be admitted." (Authorities.) Gaudet vs. Gauthreau, 40 An. p. 189.

"The State having authorized a mortgage is estopped from impeaching it." Mower vs. Kent, 42 An. 1016.

"It is well established that one is bound by judicial allegations to such an extent that he will not be heard to contradict them." Walker vs. Walker, 37 An. 108, and authorities there cited.

"The rule as to judicial allegations is founded on the obligation to speak the truth in judicial averments and binds whenever contradictory or inconsistent matters are sought to be established by the party making them. This rule is not to be confounded with the estoppel by *res adjudicata* which rests upon, not the facts alleged by one or more of the parties, but on the matter established by the decree. The State as a litigant in court is bound by the same estoppel as other persons, and is entitled to no greater right or immunity as a litigant than they are. The doctrine of estoppel applies to the State just as it does to individuals." State of Louisiana vs. Taylor, 28 An. 460 and 462. Reaffirmed in State vs. Ober, 34 An. 361, where the court in the rule as laid down in the Taylor case adds:

"Nor is this rule of law varied by the fact that there are others interested in the subject-matter of the proceedings conducted by the State."

In Folger vs. Palmer, 35 An. 744, again say on this subject:

> "Our jurisprudence has uniformly recognized and enforced the wise and salutary doctrine, which firmly binds the party to his judicial declarations, and forbids him from subsequently contradicting his statements thus made." (Authorities.)
>
> "The doctrine is so firmly sanctioned both by reason and justice that our courts have unhesitatingly extended its operation to the State itself."

It is clear from these authorities that the estoppel operates in law against the State's claiming in this suit, that the defendant company is a corporation, in contravention of her judicial allegation, that it is not such a corporation.

The learned District Judge, in the written opinion filed, attempts to apply the estoppel to the individual incorporators who adopted the charter of the company, and he says (R. p. 15) that they—

> "are claiming to be incorporated under that name and so holding themselves out to the world, and that the purpose of the exception is to maintain their right to act in a corarate capacity,"

but these individual corporators were not parties to the suit nor before the court, either in their individual names or according to the theory of the State in the name of an existing corporation. Again, the court further says:

> "Beyond this, by the notarial acts which they claim to be their charter and amended charter, they have specificially provided that they (?) may be brought into court for any purpose with that for which they are associated, by citation upon one of their number whom they designated as their president."

We will search the charter and amended charter in vain to find any authority to bring these individual incorporators into court personally by a citation addressed to the corporation by its name or served upon its president. They provided that the *corporation itself* might be so brought into court, but they did

not provide that they, themselves, might be so brought into court individually. They could only be brought into court under C. C. 446 by a citation addressed to them individually and served upon them or upon their agent specially authorized by them to receive the citation individually for them.

The officers and agents empowered by the charter to speak and act for the corporate body, considered as a juridical person, are not thereby *ex officio* the agents or representatives of the individual corporators or stockholders; "their act is supposed to be the act of the corporation" (C. C. 439). As we have seen, the citation, (R. 5) issued in the case was expressly directed to the *association in its corporate name* and as a corporate body, and summoned *it* to deliver *its* answer to the clerk of the court. It was in no sense a citation or summon to the individuals composing the association, and they were not made parties to the suit or notified to appear or defend the action.

It is a well settled rule of jurisprudence well recognized and uniformly enforced in Louisiana, that—"A judgment rendered against a party, who has neither been cited nor appeared, is an absolute nullity, which may be invoked by any one interested." 1 N. S. 9; 8 N. S. 145; 6 L. 577; 16 L. 570; 17 L. 42, 448; 2 A. 403; 13 A. 150; 1 M. 220.

> "To condemn without first hearing a defendant, or giving him an opportunity to be heard, is contrary to all principles of equity and law. Therefore, a judgment rendered against a person without citing him in the ordinary manner, without his appearing, or anything deemed equivalent to citation or appearance, is utterly void, and imports such absolute nullity, that any one the least interested in opposing its effects may have such nullity pronounced. See also 6 L. R. 577, and 9 An. 496." Fletcher vs. Henley, 13 An. 150. See also Walworth vs. Stevenson, 24 An. p. 253.
>
> "It is settled by the amplest authority that a judgment rendered against a party who has not been cited and who has not appeared, is an absolute nullity, which can be invoked, not only by such party, but also by any one interested." Bledsoe vs. Irwin, 33 An. p. 618.

"A court can presume nothing with respect to a party being cited; nothing will cure defect of citation or want of service, except appearing and answering to the merits. 5 N. S. 429; 7 N. S. 161; 1 R. 30; 13 A. 347."

"There is no allegation in the petition, nor evidence in the record, that Stadteker was the agent of the defendant, authorized to receive for him service of petition and citation. The return of the sheriff cannot be considered evidence of such an agency. Fortier vs. Field, 17 La. 587. The case, therefore, stands before us as that of a judgment rendered without service of petition and citation. This is required by the Code of Practice; its omission is not cured by the service of the writ of arrest. This point has been so repeatedly held, that it cannot now be disputed. See Wall. vs. Wilson, 4 La. 171; Slocomb vs. Boswell, 13 La. 10; Zacharie vs. Blondin, 4 La. 156. The appearance of the defendant by counsel, in a motion to set aside the arrest, cannot be deemed a waiver of service of citation and a copy of the petition, nor as authorizing the presumption of an acknowledgment of such service." Jacobs vs. Sartorius, 3 An. 9.

The doctrine of this case was reaffirmed in the case of Collier vs. Morgan's R. R. & Stm. Co., 41 An. p. 39.

The individual corporators are not bound by the citation in this case which was directed to the corporate body in its corporate name alone; no citation having been issued to or served upon them either to appear individually or through an agent. In the case of Belard vs. Gebelin, 47 An. p. 166, the court said on this subject:

"The defendants cannot be considered bound by a citation not addressed to them or to their curator *ad hoc* as their legal representative in the suit."

But in the case at bar the individual corporators were neither made parties to the suit nor cited to appear or defend; they made no appearance in the court of original jurisdiction and in no way became parties to the suit.

They joined in an appeal to the Supreme Court to annul and set aside the judgment rendered by the District Court on the ground, among others, that they were necessary parties to the suit

and should have been joined and made defendants in the District Court prior to the judgment rendered.

We have gone thus far into a review of the proceedings had in this case and the discussion of the parties to the action and a review of the jurisprudence of the State applicable to such causes, with the view to show that the proceedings had in the State court are not due process of law; but that they are contrary to those usages and precedents established as the law of the land; that they are a departure from the general rules which govern society and not such as the maxims of the law permit and sanction.

In the amended answer filed by the defendant in the District Court (R. 32) it is specially set up and alleged that this suit, as instituted and prosecuted, is for a purpose, and has for its object one which is in violation of the Constitution and laws of the United States, in that it is intended to deprive the defendant of its property without due process of law, and denies to it the equal protection of the laws of the State; that it is in contravention not only of the State, but of the Constitution and amendments thereto of the United States, in that said object and purpose is intended to deprive it of its lawful right to pursue a lawful business, calling or avocation, and is an unlawful discrimination against it and a denial to it of the equal protection of the law.

Due Process of Law.

The phrase "due process of law" antedates the establishment of our institutions, and is endeared to our race by antiquity and the noblest historical associations. It embodies one of the broadest and most far-reaching guarantees of personal and property rights.

In Bank of Columbia vs. Oakley, 4 Wheat. 244, Mr. Justice Johnson, speaking for the Court, said:

> "As to the words from Magna Charta, incorporated in the Constitution of Maryland, after volumes spoken and written with a view to their exposition, the good sense of mankind has at length settled down to this: that they were intended to secure the individual from the arbitrary exercise of the pow-

ers of government, unrestrained by the established principles of private rights and distributive justice."

And Judge Cooley, Const. Lim., 355, said:

"While every man has a right to require that his own controversies shall be judged by the same rules which are applied in the controversies of his neighbors, the whole community is also entitled, at all times, to demand the protection of the ancient principles which shield private rights against arbitrary interference, even though such interference may be under a rule impartial in its operation. It is not the partial nature of the rule, so much as its arbitrary and unusual character, which condemns it as unknown to the law of the land."

As said by Mr. Justice Matthews, in Yick Wo vs. Hopkins, 118 U. S. 370, the term is one of those grand "monuments showing the victorious progress of the race in securing to men the blessings of civilization under the reign of just and equal laws, so that, in the famous language of the Massachusetts Bill of Rights, the government of the commonwealth 'may be a government of laws and not of men.' For, the very idea that one man may be compelled to hold his life, or the means of living, or any material right, essential to the enjoyment of life, at the mere will of another, seems to be intolerable in any country where freedom prevails, as being the essence of slavery itself."

Judge Story's definition is succinct and acurate: "Due process of law in each particular case means such an exertion of the powers of government as the settled maxims of law permit and sanction, and under such safeguards for the protection of individual rights as those maxims prescribe for the class of cases to which the one being dealt with belongs."

In the case of Kennard vs. Louisiana, 92 U. S. p. 481, the sole question was whether the State, acting under statute through the judiciary, had deprived the plaintiff in error of his office without due process of law, and it was there said by Mr. Chief Justice Waite, as the organ of the Court:

"It is substantially admitted by counsel in the argument that such is not the case, if it has been done 'in the due course

of legal proceedings, according to those rules and forms which have been established for the protection of private rights.' We accept this as a sufficient definition of the term 'due process of law' for the purposes of the present case. The question before us is, not whether the courts below, having jurisdiction of the case and the parties, have followed the law, but whether the law, if followed, would have furnished Kennard the protection guaranteed by the Constitution. Irregularities and mere errors in the proceedings can only be corrected in the State courts. Our authority does not extend beyond an examination of the power of the courts to proceed at all. This makes it necessary for us to examine the law under which the proceedings were had, and determine its effect."

Mr. Justice Miller, in Davidson vs. New Orleans, 96 U. S. 105, said:

"Under whatever other clause of the Federal Constitution we may review the case, it is not possible to hold that a party has, without due process of law, been deprived of his property, when, as regards the issues affecting it, he has, by the laws of the State, a fair trial in a court of justice, according to the modes of proceeding applicable to such a case. This was clearly stated by this court, speaking by the Chief Justice, in Kennard vs. Morgan (92 U. S. 480), and, in substance, repeated at the present term, in McMillan vs. Anderson."

Mr. Justice Gray, speaking for the Court in Scott vs. McNeal, 154 U. S. 45, said:

"The 14th Article of Amendment of the Constitution of the United States, after other provisions which do not touch this case, ordains 'nor shall any State deprive any person of life, liberty or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws.' These prohibitions extend to all acts of the State, whether through its Legislature, its executive, or its judicial authorities." (Authorities.)

"Upon a writ of error to review the judgment of the highest court of a State upon the ground that the judgment was against a right claimed under the Constitution of the United States, this Court is no more bound by that court's construc-

tion of a statute of the territory, or of the State, when the question is whether the statute provided for the notice required to constitute due process of law, than when the question is whether the statute created a contract which has been impaired by a subsequent law of the State, or whether the original liability created by the statute was such that a judgment upon it has not been given due faith and credit in the courts of another State. In every such case this Court must decide for itself the true construction of the statute." (Authorities.)

"No judgment of a court is due process of law, if rendered without jurisdiction in the court, or without notice to the party."

"The words 'due process of law' when applied to judicial proceedings, as was said by Mr. Justice Field, speaking for this Court, mean a course of legal proceedings according to those rules and principles which have been established in our systems of jurisprudence for the protection and enforcement of private rights. To give such proceedings such validity, there must be a tribunal competent by its constitution—that is, by the law of its creation—to pass upon the subject-matter of the suit; and if that involves merely a determination of the personal liabilty of the defendant, he must be brought within its jurisdiction by service of process within the State, or his voluntary appearance." (Authorities.)

"Even a judgment in proceedings strictly *in rem* binds only those who could have made themselves parties to the proceedings, and who had notice, either actually, or by the thing condemned being first seized in the custody of the court. (Authorities.) And such a judgment is wholly void, if a fact essential to the jurisdiction of the court did not exist. The jurisdiction of a foreign court of admiralty, for instance, in some case, as observed by Chief Justice Marshall, 'unquestionably depends as well on the state of the thing, as on the constitution of the court. If by any means whatever a prize court should be induced to condemn, as prize of war, a vessel which has never been captured, it could not be contended that this condemnation operated a change of property. * * * Upon the same principle, a decree condemning a vessel for unlawfully taking claims, in violation of a statute which authorized proceedings for her forfeiture in

the county in which the seizure was made, was held by this Court to be void, and not to protect the officer making the seizure from a suit by the owner of the vessel, in which it was proved that the seizure was not made in the same county, although the decree of condemnation recited that it was."

As applied to judicial proceedings, the apparent settled definition of the phrase "due process of law" is that given by Mr. Justice Shiras, speaking for the Court, in the case of Marchant vs. Penn. R. Co., 153 U. S. 387, in the following language:

"In Hagar vs. Reclamation Dist., 111 U. S. 701, 708, is found the following definition of the phrase: 'It is sufficient to observe here, that by 'due process' is meant one which, following the forms of law, is appropriate to the case, and just to the parties to be affected. It must be pursued in the ordinary mode prescribed by the law; it must be adapted to the end to be attained, and wherever it is necessary for the protection of the parties, it must give them an opportunity to be heard respecting the justice of the judgment sought. The clause in question, therefore, means that there can be no proceedings against life, liberty or property which may result in the deprivation of either, without the observance of those general rules established in our system of jurisprudence for the security of private rights.'

"The phrase implies more than the mere issuance and service of process; it includes the right of being heard in defense of the action brought, and it has been accordingly held that where the Court after summons strikes out the answer of the defendant for contempt and thereafter enters the decree *pro confessis*, such decree will be declared void as being without due process." Hovey vs. Elliot, 167 U. S. 409.

The opinion was delivered by Mr. Justice White, who, on page 414 of the opinion, said:

"In McVeigh vs. United States, 78 U. S., 11 Wall. 259, the Court, through Mr. Justice Swayne, said (p. 267):

"'In our judgment, the District Court committed a serious error in ordering the claim and answer of the respondent to be stricken from the files. As we are unanimous in this conclusion, our opinion will be confined to that subject. The order in effect denied the respondent a hearing. It alleged

that he was in the position of an alien enemy, and hence could have no *locus standi* in that forum.

"'* * * The liability and the right are inseparable. A different result would be a blot upon our jurisprudence and civilization. We cannot hesitate or doubt on the subject. It would be contrary to the first principles of the social compact, and of the right administration of justice.'

"And quoting with aproval this language, in Windsor vs. McVeigh, 93 U. S. 277, the Court, speaking through Mr. Justice Field, again said (pp. 277, 278):

" 'The principle stated in this terse language lies at the foundation of all well ordered systems of jurisprudence. Wherever one is assailed in his person or his property, there he may defend, for the liability and the right are inseparable. This is a principle of natural justice, recognized as such by the common intelligence and conscience of all nations. A sentence of a court pronounced against a party without hearing him, or giving him an opportunity of being heard, is not a judicial determination of his rights, and is not entitled to respect in any other tribunal. There must be notice to a party of some kind, actual or constructive, to a valid judgment affecting his rights, is admitted. Until notice is given, the court has no jurisdiction in any case to proceed to judgment, whatever its authority may be, by the law of its organization, over the subject-matter. But notice is only for the purpose of affording the party an opportunity of being heard upon the claim of the charges made; it is a summons to him to appear and speak, if he has anything to say, why the judgment sought should not be rendered. A denial to a party of the benefit of a notice would be in effect to deny that he is entitled to a notice at all, and the sham and deceptive proceeding had better be omitted altogether. It would be like saying to a party, Appear and you shall be heard; and, when he appeared, saying, Your appearance shall not be recognized, and you shall not be heard. In the present case, the District Court in effect not only said this, but immediately added a decree of condemnation, reciting that the default of all persons had been duly entered. It is difficult to speak of a decree thus rendered with moderation; it was in fact a mere arbitrary edict clothed in the form of a judicial sentence."

In the instant case the charter of the association is assailed for nullities involving the non-existence of the association as a corporate body. The charter is the act, the contract of the corporators who adopted and signed it. The associated body was not in existence at the time of its adoption and confection. It did not come into existence till after the charter was adopted, and only when it was carried into effect. The thing sought to be declared null is the contract of the corporation alone, and they alone are interested in the maintenance of the charter against the nullities charged. They are the real and actual defendants to the action brought.

Indeed, if the theory of the State in the petition be true, that the charter of the association is null and void *ab initio* on the grounds stated, there is and never was a body corporate in existence which could be summoned or made defendant to the action. Under the express provisions of the statute of the State, C. C. 446, it could only be brought or prosecuted against all the corporators in their individual names who compose the association. They are the only defendants who could be summoned or proceeded against in the case. None of them were ever summoned or notified or in any manner made parties to the action in which the judgment complained of was rendered. The law expressly entitled them to notice before the judgment could be rendered. As said in Hovey vs. Elliott (415), "Until notice is given, the court has no jurisdiction in any case to proceed to judgment, whatever its authority may be, by the law of its organization, over the subject-matter. But notice is only for the purpose of affording the party an opportunity of being heard upon the claim of the charges made. A denial of a party of the benefit of a notice would be in effect to deny that he is entitled to notice at all, and the sham and defective proceeding had better be omitted altogether."

Again, as we have seen, the writ of injunction which was ordered and issued on March 2, 1899 (R. 388, 389), was issued as a preliminary writ, "until the further order of the court." It was issued upon the special allegation of the supplemental petition

that day filed by the State. If the concluding phrase, "until the further order of the court" does not mean until the defense against the injunction could be heard upon the special grounds set up for the writ in the supplemental petition filed, we cannot conceive what object it can be applied to. It was ordered and issued on the same day final judgment on the principal demand was entered for the State. Six days later, on March 8, without any notice or other proceedings or hearing whatever had, upon the grounds laid upon which it was claimed, the writ was perpetuated in the final judgment signed on March 8 (R. 389) by the insertion of the following clause:

> "It is further ordered that the injunction heretofore issued, prohibiting and restraining said company, its officers, directors, agents, and representatives, from removing the assets and funds of said company from this State or beyond the jurisdiction of this court, from receiving any money or installments from its debenture-holders, from paying out any money on surrenders or withdrawals or in redemption of debentures, from making loans on and from forfeiting any of said debentures or the rights of any of the holders thereof, be now confirmed and made absolute; and it is further ordered and adjudged that said company, so called, its officers, agents, representatives, and members, be further perpetually enjoined and restrained from acting in a corporate capacity."

As said by the court in the above cited case, "It is difficult to speak of a decree thus rendered with moderation; it was in fact a mere arbitrary edict clothed in the form of a judicial decree."

Whilst this clause perpetuating the injunction was incorporated in the judgment as signed on the 8th, the supplemental petition was not filed and the injunction under it was not issued until after the court, on the 2d, had orally rendered judgment in favor of the State; hence, the above clause did not and could not form part of the judgment as rendered on the 2d. It was added to the judgment orally rendered, and incorporated in the judgment when it was signed on the 8th. In the phraseology of the court, in 29 An. 91, this "seems to us most extraordinary and in excess of judicial authority." "The course which the judge pursued in

this case was manifestly in violation of the law laid down in the Code of Practice." This is not all, however. The substance of this posthumous clause in the judgment is open to objection not less serious and vital. It includes matters which were not involved in the case when the evidence was adduced and the argument made; it is matter brought into the case and incorporated in the signed judgment after the trial of the case had been finally closed. It included matters of substance of grave and serious consequence which were not in issue on the trial previously had, and which had not been included in the defense made, and which should have been submitted to defense by the parties to be affected and the deliberate consideration of the court before being sealed with the authority and the unimpeachable verity of the solemn final judgment of a court. The judgment confirms and makes absolute matters which were not involved during the trial. It prohibits and restrains not only the company which alone was before the court, but also its officers, directors, agents and representatives who had not been cited from removing the assets and funds of the company from the State or beyond the jurisdiction of the court. In legal effect this was a judicial sequestration of the property. Virtually the officers, directors, agents and representatives of the company are made the keepers of the property under the direction and authority of the court, the right and power of the court to control the destination of the property being necessarily implied by the terms of the judgment.

In addition, the parties are prohibited and restrained "from receiving any money or instalments from the debenture holders, from paying out any money on surrenders, or withdrawals, or any redemption of debentures; from making any loans on and from forfeiting any of said debentures or the rights of any of the holders thereof."

This involves an interdiction of the right or power of the persons representing the company from protecting their own rights or interests under contracts made in the name of the company. If, indeed, as decreed by the court, the company is not an organized

corporate body, a juridical person, then the property used in the common affairs and the contracts made in the company's name are those of the individuals composing it. The right of such owners to possess their own property and control their own contract rights and interests is not forfeited or divested by the judgment decreeing that the company is not a legally organized body or a corporation. Such a judgment does not relate or affect the tenure of the members of the association over their property interests or rights under contracts with third persons. Through the instrumentality of this injunction, which the judgment confirms and makes absolute, large sums and amounts in the possession of the members of the association chosen by the parties in interest as their trustees to administer them, are brought under control and administration before the court without process against or judicial notice to the persons in interest or their trustees. The effect of the injunction is still more far-reaching. It affects the legal rights of creditors, the debenture holders, who have the right, under their contracts, at any time, if they choose to do so, to surrender their debentures and to receive from the association, whether it be a corporation or not, the cash surrender value thereof—a right which they can no longer be permitted to exercise under the injunction, although the members of the association are willing, anxious and able to accord them the full benefit of the contract. It is the law that the State, without pecuniary interest and not being a party to the contracts, can thus intervene between parties and judicially enforce by injunction a violation of the obligations of their contracts?

And can the State, without interest in the property, through the instrumentality of her suit to have the incorporating charter of an association of her citizens declared null and void, take from them such property, or divest them of its custody or administration? The excuse urged for the exercise of such extraordinary powers is that it is the duty of the State to do so to protect the rights of debenture holders and creditors of the association on her theory that it is insolvent, and, hence, its creditors are in danger of losing

upon its obligations to them. Such is the doctrine of paternalism. No such principles are recognized under our form of government. In the first place, the law requires express and special authority to represent another by a suit in court, which is not pretended the State has from those whose rights and interests are championed. The State, except as their authorized agent, has no right to appear for them, for the plain reason that the law provides them an adequate remedy in their own names to enforce their own rights and no reason exists why they should not do so in the regular and ordinary course. On the other hand, there are serious and grave reasons why the State should not do so. She would have to discriminate between citizens to exercise such powers. When the sovereign State appears in court for the enforcement or protection of sovereign rights, by common consent, enacted into law, she is exempt in her own courts from giving the bonds or security required of all other suitors. But why is she so exempt? Because she is the sovereign power representing the common rights of all. But can she, in her sovereign capacity, lay claim to such exemption when she appears representing a citizen or a number of citizens in the enforcement of their individual rights? Such exercise of the sovereign power is incompatible with all our ideas of the high functions of our governmental structure. Its chief object is the good of the whole, and when it assumes other functions it is usurpation and oppression; says the preamble of our State Constitutions.

No legal grounds exist upon which the State can found any legal right to claim at the hands of the court the injunction issued for the purpose of taking charge of the assets or assuming control over the business and affairs of the defendant company. In none of the circumstances of the case can we find any legal grounds for the exercise by the court of its discretion or power at the suit of the State alone, to take, through the instrumentality of such an injunction from the possession and control of the Board of Directors of the defendant company, the property and assets belonging to it or belonging at least to the persons composing the

company. Should we even concede for the purposes of this argument that the State will recover a final judgment, declaring the nullity of the company's charter still, the State being without any interest as owner in or as creditor upon the property or assets of the company, is without any legal right to demand such remedies. She is not in a position to enter upon any investigation or to invoke any relief upon the subject.

It appears to be the notion inculcated in the State's petition that its right to demand, as well as the duty and right of the court to issue, the injunction to take the possession of the property and to assume the control of the affairs of the company, results as a necessary sequel, as an absolute right, from the supposed recovery of a judgment by the State decreeing the nullity of the company's charter. No such consequences arise from such a judgment. It is one thing to be entitled or not to be entitled by law to use or exercise a corporate franchise, but it is a very different matter to be entitled by law to the possession and control of one's own private property and business affairs. Let us not ignore this plain distinction. Assume, if you will, that the court will finally render judgment in the case affirming the nullity of the charter; that the company is without legal right to be or continue as a corporation; the fact still remains that the common assets and property interests involved are not thereby forfeited or escheated to the State. They still belong in common to the persons composing the company, whose title still remain vested and under the same protection of the law as other property.

> "The association of colored persons is not a corporate body. Although they have no legal existence as a corporation, as individuals they are entitled to their rights of property in what may have been acquired in the corporate names." African M. E. Church vs. City of New Orleans, 15 An. 541. Reaffirmed, 37 An. p. 489.
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> "It is an error to suppose that the expiration of the charter of a corporation carries with it the destruction of the ownership of the property which the corporation held during its existence." Fleitas vs. City, 51 An.—; 24 So. Rep. (No. 20,) 629.

Neither will the nullity of the charter of the company in which it may be invested, involve or operate the forfeiture of the property used by the company. Neither is the right to the possession or the control of the property forfeited thereby. This applies with peculiar emphasis to companies organized as private corporations for purely business purposes, in which the corporate franchise—if it may be called a franchise—consists of the authority of the law to pursue purely private avocations or business enterprises in that form and under the limited liability described. The charter of the company expressly provides that whenever it is dissolved from any cause "its affairs shall be liquidated under the superintendence of the Board of Directors." This is the arrangement made and stipulated by and between the parties in interest for the settlement in the manner agreed upon of purely personal business matters between themselves. It is clear that such matters of purely private and personal interests, involved exclusively, between the parties in interest, is a private and not a public matter. It is equally clear that the State has no interest in the subject matter of such a settlement, except possibly as a body politic it always has an interest in promoting obedience to the laws and the performance of legal duties and obligations. But such public interest is the political and moral one attaching to sovereignty, and is widely different from a private and special interest in particular things. A litigant who has no actual or substantial interest in the subject matter of the relief sought cannot be prejudiced by the dismissal of the action for such relief. The Code of Practice prescribes, Art. 15:

> "An action can only be brought by one having a real and actual interest which he pursues."

It is conceded that the law affords ample remedies *inter sese* to the parties in interest for whatever relief they can establish between themselves. Under such circumstances it is not seen how the State can interfere to disturb the arrangement made by the parties themselves for making the settlement in the way agreed upon, included in the charter. A sound public policy requires

that whatever exclusively pertains to individual interests should be left to the individual to control in his own interest, and that the State should provide and care for the general or public interests and such as are beyond the control of the individual. It is certainly true that to the extent that the individual can, with safety to all others, be permitted freedom to manage his own affairs, governmental intervention is both unnecessary and inexpedient. Paternalism in the government is to be cautiously guarded, lest it subvert the just rights and liberties of the individual and there can be no good reason why the sovereign should act in individual interest when the government has afforded ample methods and liberty for him to act for himself.

The right of the State to proceed in civil actions before her own courts in cases, like the one in hand, in which she has no direct or immediate interest, either pecuniary or prerogative, was ably considered by Chief Justice Earle, in an elaborate opinion delivered by him as the organ of the court, in the case of People vs. Lowe, 117 N. Y. 175-190, from which we make the following excerpts:

> "The people of the State, like all other parties to actions, must show an interest in the subject matter of the litigation to entitle them to prosecute a suit and demand relief."
>
> "The people of this State have no general power to invoke the action of the courts of justice by suits in their name of sovereignty for the redress of civil wrongs sustained by some citizens at the hands of others. When they come into court as plaintiffs in a civil action, they must come upon their own right for relief to which they are themselves entitled. It is not sufficient for the people to show that wrong has been done to some one. The wrong must appear to be done to the people in order to support any action by the people for its redress."
>
> "The Attorney General, in an action brought by him, represents the whole people and a public interest, and not merely individuals and private rights."

On page 193 the court, after a review of the authorities on the subject, said:

> "Suits like this are a new invention. We believe they were unknown to the generation of statesmen, judges and lawyers

living at the time of the adoption of the Revised Statutes, and for more than fifty years after that time no trace of such an action can be found in the reports of this State."

On page 195 the court said:

"Neither public nor private interests require the maintenance of such a suit as this. The private parties who feel aggrieved in such cases have ample remedies to redress their wrongs by proceedings in their own names; and why should not the complaining members of this corporation redress them in that way at their own expense and risk?"

Possibly the strongest and most pertinent case to be found in the list of reported cases is that of Havemeyer vs. Superior Court of California, 10 L. R. A. 627-650, rendered in 1890 in the Supreme Court of that State. In that case the Attorney General of the State had proceeded against and had recovered a judgment in the name of the People against the American Sugar Refining Co., a corporation of that State, forfeiting its charter. On the same day the judgment was recovered, the Attorney General filed his rule for the appointment of a receiver, who was appointed by the court. Thereupon, application was made to the Supreme Court, for the writ of prohibition to the Supreme Court, and the receiver appointed, to restrain any further proceedings under the order of the court. The grounds upon which the writ was applied for among others included the right or jurisdiction of the Superior Court to make the appointment under the statutes of that State in the case where only private or individual interests were involved. The jurisdiction of the Superior Court to make the appointment was denied, and the writ of prohibition was made peremptory by the Supreme Court after a most exhaustive opinion rendered upon the subject. The statute of that State provided that: "A receiver may be appointed * * * when a corporation * * * has forfeited its charter." The Supreme Court there held (Syllabus): "A receiver of a dissolved corporation is only to be appointed *when necessary for the purpose of preserving and distributing the property, and only on application of a party interested, viz., a creditor or stockholder.*" (Our

italics.) "The forfeiture of the charter of a corporation does not under Code Civ. Pro., No. 154, *et seq.*, authorize the appointment of a receiver on application of the State as a part of the penalty of forfeiture."

In discussing the right of the State to apply for the appointment of a receiver in cases where she has no direct interest; the right of stockholders to possess and control the common assets and property of the association; and the right of the State to appoint a receiver to take the property and break up the business of the corporation as a punishment for a misuse or abuse of the franchise, the Court, at page 640 (L. R. A.), said:

> "But, to our minds, the gravest objection to the doctrine lies in the consequence which it involves. Obviously, there is no measure or limit to the punishment which may be inflicted in the manner indicated, except in the discretion of the Court and the moderation of its receiver. The duty of the receiver is not conservation, but destruction. In whatever business the offending corporation may have been engaged, his first step must be to shut up its works. However vast the capital invested, it must be condemned to lie idle and unproductive until it can be divided up and scattered. It must not be sold as a whole, complete and adapted to the work for which it was designed, and for which alone it possesses any considerable value. To do so would defeat the whole object of the receivership, for not only would the offending stockholders get off without adequate punishment, but there would be nothing to prevent them from buying in their own property and again putting it into the combination. It must, therefore, be divided up and scattered, and its value in great measure destroyed. The stockholders when they finally realize upon their property must be content to receive, not the proceeds of a well-appointed factory, in complete running order, but the price of a lot of old iron and second-hand machinery sold in lots according to the discretion of a receiver, acting with a view not to their interest as stockholders, but solely with a view to the interest of the public in punishing them. We cannot assent to such a doctrine, involving such consequences. If it is really true that our laws, as they are written, provide no adequate punishment for cor-

porate transgressions, let the Legislature take the matter in hand. It is no part of the function of a Court to supply the want of penal legislation. Its judgments in such case, besides wholly unauthorized, would always operate as bills of attainder, or *ex post facto* laws, both of which are not only abhorent to our ideas of justice, but are expressly forbidden by our charters of government. But perhaps it is not fair to regard the doctrine under discussion as implying that the primary object of the laws, as it construes them, is the punishment of the stockholders. It may be said that the real purpose is only to break up the monopoly, and that the punishment involved is merely incidental and unavoidable; that it is right to break up the monopoly, and if, unfortunately for them, the stockholders suffer in the process, they have themselves alone to blame. Regarded from this point of view, it seems to us that the doctrine is still wholly indefensible. When a corporation is dissolved, its property, as we have seen, rests in its stockholders, subject only to the claims of creditors, and is therefore held upon the same tenure and subject to the same conditions as similar property owned by other natural persons. What others may do they may do. They owe no further or higher duty to the public and are under no other restraints. Therefore, unless some ground can be shown upon which the State can take a sugar refinery away from a private citizen who has inherited or bought it or built it, and can shut it up preparatory to dividing and scattering it, upon the ground that he has entered into an agreement with some other private citizen owning another refinery to limit the output of both establishments with a view to keeping up the price of the refined product, no ground can be shown which will warrant the State in taking similar property from natural persons who have succeeded thereto on the death of the corporation. Confessedly, there is no warrant to be found for such a proceeding in case of a natural person * * *. What is forfeited to the State and all that is forfeited is the charter—the right to be a corporation, and this is presumed solely upon the ground that the condition upon which it was granted was violated. The doctrine is that corporate charters are granted upon the implied condition that the privileges conferred will be used for the advantage, or at least not to the disadvantage of the State. If this condition

is broken, the charter which the State has given is taken back by the State, but the property which the corporation has acquired with its own means goes to those who have paid for it, and they have the right to deal with it, just as others similarly situated may deal with their property.

"The conclusion which inevitably follows from these views is that in an action under Sec. 802 *et seq.*, of the Code of Civil Practice, the rendition of the judgment authorized by Sec. 809 ends the proceedings so far as the Superior Court is concerned, and that no receiver of the corporate property can be appointed unless a new and distinct proceeding is commenced by a creditor or a stockholder of the corporation." P. 641.

Under these views and the above quoted authorities we are impressed with the conviction that the writ of injunction issued on March 2, 1899, and perpetuated in the final judgment signed on March 8, is not valid or binding; but being so issued and perpetuated without notice to or hearing by the parties against whom it was directed and perpetuated, both the writ and the judgment perpetuating it are utterly null and void, as being without due process of law.

Certainly the writ and judgment were not issued and perpetuated in that due course of proceedings according to the rules and principles established in the State's system of jurisprudence for the protection and enforcement of such private rights. 95 U. S. 33; 19 Wall. (U. S.) 107.

In such cases it is imperative that there be a court of competent jurisdiction; that the proceedings be regular and appropriate to the judgment sought.

"Certain it is that in judicial proceedings due process of "law must be a course of legal proceedings according to those "rules and forms which have been established for the pro- "tection of private rights; it must be one that is appropriate "to the case and just to the parties affected; it must be pur- "sued in the ordinary manner prescribed by the law; it must "give to the parties to be affected an opportunity to be heard "respecting the justice of the judgment sought; it must be

"one which hears before it condemns, proceeds upon enquiry "and renders judgment only after trial." Burton vs. Platter, 10 U. S. App. 657. See also 96 U. S. 97.

"It has been said that the terms 'due process of law' and 'the law of the land' refer to the pre-existing rule of conduct, and they are intended to secure the individual from the arbitrary exercise of the powers of the government unrestrained by the established principles of procedure and distributive justice, this object being obtained where the laws operate on all alike. These guarantees are intended to protect property from seizure, forfeiture or destruction without a trial and conviction by the ordinary modes of judicial procedure." 68 Alabama, 58.

We submit to the court that such proceedings are not "due process of law" within the meaning or intendment of the 14th amendment. More especially is this true when we consider the far-reaching effects produced by this injunction. It is in effect a judicial sequestration of the common assets and property of the association as well as an interference in contracts between the agents and representatives of the association with various third persons not parties to the suit or before the court, by prohibiting and restraining them "from receiving any money or installments from debenture-holders, from paying out any money on surrenders or withdrawals or in redemption of debentures, and from making any loans on or forfeiting any of said debentures or the rights of any of the holders thereof." This deprives the parties in interest of the right or power to comply on their part with their contracts made with third persons or to exact compliance by such third persons with the obligations of their contracts made with them. It deprived the members of this association of all power to control the property or contract rights belonging to the association in a suit in which the owners of the property and the persons in interest were not even parties to the suit. They were in this way deprived of their liberty and their property without any process of law against them whatever and in violation of the plain terms of the prohibitions contained in the 14th amendment of the Constitution of the United States. Besides, the injunction operated an in-

fringement by the State of the obligations of contracts between third persons not parties to the suit and in which the State had not the slightest interest. Through the instrumentality of this injunction the State coerces and compels the violation by the parties of the obligations of their contracts between each other and that too without the presence of the parties or an opportunity extended to them to be heard upon the subject matter of such contracts.

Legality of the Business Pursued.

It is contended that the debenture business pursued by this association is unlawful and in contravention of the laws of the State. To the contrary there is no statute of the State denouncing or prohibiting the pursuit of the debenture business in the State. Besides, the business is recognized by the Legislature of the State in the Act No. 171 of 1898, p. 407, as a legitimate calling or pursuit. It is there recognized among the authorized trades, professions, occupations and avocations pursued in the State and a graded license tax is levied for the privilege of its pursuit.

Sec. 1 of the Act (p. 387) provides that:

> "There is hereby levied an annual license tax for the year 1899, and for each subsequent year, upon each person, association of persons, or business firms and corporations pursuing any trade, profession, avocation, calling or business, subject to license under Article 229 of the Constitution."

Section 10, pages 407-8, provides:

> "Each and every company, association, corporation or firm, conducting the business of a debenture-redemption company, or loan and investment companies, whether domiciled in or out of the State, but authorized to do business herein, shall be subject to an annual license based upon the gross receipts, as follows, to-wit."

The business is divided into ten classes under above provision, and the license is classified for the different grades, running from $3,000 for the highest, down to $75 for the lowest grade. It will be observed that the license is levied upon the business pursued by this company, and that it is denominated "the business of a de-

benture-redemption company," the identical name of the business pursued by the defendant company in this case. But the argument of the State that the right to pursue this business was not recognized under this statute, because of the phrase included in it "whether domiciled in or out of the State, *but authorized to do business herein,*" is that the license was levied by the State if the company should pursue the business for only a short time, and that, too, whether the pursuit of the business was a right recognized by law or not, and that the phrase included in the statute, "*but authorized* to do business herein" was a reservation inserted, whereby the State could claim, notwithstanding the license exacted, that the right to pursue the business was not authorized by law. The obvious intention of including this phrase in the license law was to apply to corporations organized outside of the State, and which are prohibited from doing business in the State under Article 264 of the Constitution of 1898, without first complying with legal requirements. As we understand it, the argument is that the levy of the license under this Act is not a recognition of the legal right to pursue the business, that the State has a right to collect her license for its pursuit although the business be illegal under the laws of the State. We cannot assent to such a doctrine. It is the province of the State to prevent the pursuit of businesses or avocations, deemed illegal, vicious or immoral by her laws, and it is not her pleasure to countenance illegality or wrongdoing by placing a price upon the privilege to practice such. We believe it is the first time we have heard the contention made that the State by her revenue laws can sanction or countenance illegal pursuits. The State, as the embodiment of sovereign power, cannot become a party to an illegal act or pursuit, or an accessory to the violation of her own laws.

Certainly the convention that framed the Constitution meant and intended, by Article 229, those trades, professions, avocations and callings which are recognized and authorized by law, and did not intend to authorize the Legislature to sanction the violation of law by licensing illegal or immoral pursuits.

The license is an annual tax upon an avocation or pursuit, and it would savor of bad faith in the State to accept the license for the privilege of doing business for one year, to deny the person the privilege of pursuing the business during the time he had paid for. It is contended that the State is entitled to the license if the business be pursued but for a single day. We assent to this, but the privilege to pursue the business for the entire year is included in the license, and if the licensee chooses to pursue it but a single day, he cannot for that reason claim reduction of the amount charged by the State for the privilege to the license. We cannot see how the State can be justified in accepting the license of $3,000 from the defendant company for the privilege to pursue its debenture business in this State for the entire year 1899, and maintain the judgment of the lower court in this case, prohibiting the company from going on with the business. The rule would be different where the tax collector by whom the license is collected, makes a mistake and issues a license to one not by law entitled to them, or to one in pursuit of an illegal business, which the law does not expressly license. In such cases, the licensee will acquire no right to pursue the business under a license which the law does not authorize. But that is not the case here. The Act expressly designates: "the business of a debenture-redemption company," for the pursuit of which the license is levied, and this is professedly the business pursued by this company, and hence is a business expressly designated by law; by the Legislature itself. The Legislature is the department of the government to which the Constitution expressly delegates the power to act in the matter, and by its act "the business of a debenture-redemption company" is recognized and licensed as among the several trades, professions, avocations and callings mentioned in Article 229 of the Constitution as being pursued by the persons from whom the license tax is to be collected.

Certainly the Legislature contemplated that "the business of a debenture-redemption company" would be pursued in this State by resident, as well as non-resident companies, when it graded the

license tax into ten different classes, and fixed the amount which should be collected for the several classes. It provides:

> "First Class. When the gross receipts are $300,000 or more, the license shall be $3,000."

We cannot conceive how the Legislature could imagine that the gross annual receipts could amount to $300,000 in the "business of a debenture-redemption company," when the State will not allow the business to be pursued at all. Had it been the intention of the Legislature that the pursuit of the business should be prohibited and suppressed, instead of fixing the amount of the license tax which should be charged for the pursuit of the business, it would have fixed in the statute prohibiting it, the amount which should be inflicted as a fine for the violation of its prohibition. The Act cannot be construed in any other light than as a legislative classification and recognition of "the business of a debenture-redemption company" among the several trades, professions, avocations and callings which are pursued by persons and corporations in this State, and in reference to which it has power to levy a graded license tax, as expressly delegated by Article 229 of the Constitution. The Legislature is the body which possesses the power to establish the public policy of the State on this subject.

> "The public policy of the government is to be found in the statutes, and when they have not directly spoken, then in the decisions of the courts, and the constant practice of the government officials; but when the law-making power speaks on a particular subject for which it has the power to legislate, the public policy in such a case is what the statute enacts." U. S. vs. Trans-Miss. Frt. Assn., 166 U. S. 340.

Instead, therefore, of the business "of a debenture-redemption company" being denounced or prohibited by law, as assumed in the petition filed in this case, it is a legitimate business, recognized by the Legislature, and authorized under the license tax imposed by the State for its pursuit.

If we be correct in this position that the debenture business assailed in this action is a lawful business, one authorized and spe-

cially recognized by the act of the Legislature of the State, then the established policy of the State upon the subject of its legality as thus established is binding by the courts and the judgment the District Court rendered in this case deprives this association of the equal liberty, privilege and immunity of pursuing a lawful business or enterprise within the State in violation of the prohibitions contained in the 14th amendment.

It is rather a singular coincidence in this case that the State is here suing to annul the charter of this association in the interest of the various purchasers of its debentures and because the State or her Attorney General fears that such purchasers and debenture holders may lose a part or the whole of the funds invested in the purchase of its debentures and fears that they may be defrauded under contracts made with the association, when it appears that not a single one of the debenture holders are complaining in his own interest. All the parties in interest connected with the business of this association appear to be fully satisfied, not only with the feasibility of the plan, but with the solvency of the company and its ability to finally comply with all of its financial obligations. Not only this, the Legislature of the State recognizes the legitimacy of the business and authorizes its pursuit by levying a graded tax for the privilege of pursuing the business under an express article of the Constitution of the State authorizing such legislative action. The State, the only party apparently dissatisfied, without any interest in the business pursued or under the association organized in her own name in a civil action before her own courts brings this civil action to annul the charter of this association and to place its assets and property interests under the control of the court for the purpose of breaking up the parties engaged in the business. It cannot be the object of the State to prevent others from engaging in the same business and pursuing it within her limits because a judgment in her favor in this case cannot produce such a legal effect.

The judgment in favor of the State in this case can bind no one except the particular company named and summoned as the de-

fendant in the action. It could not affect a different company subsequently organized even by the same corporators for the pursuit of the same business. At most the judgment rendered in this case could be invoked as a precedent; it could not be plead as a bar or estoppel against the right to organize for such a purpose.

In this case the State without any interest in herself either pecuniary or prerogative in a matter involving only the personal, private rights and interests between citizens, brings this suit ostensibly in the interest and for the benefit of the creditors of the association to annul its charter and to break up its business, and that too in contravention of the plain terms of the article of her Code of Practice and in the face of an Act of the Legislature authorizing the pursuit of the business. No precedent is to be found upholding the right of the State to proceed in such a manner and her proceedings in this case are without authority of law and hence not due process of law.

In the next place the only defendant cited or summoned to defend the action is the association in its corporate name and capacity which she herself in effect alleges is non-existent, and against whom she proceed to judgment without citing or summoning and without the presence or appearance of the only parties defendants known to the law to defend the action. The judgment on its own face is against a defendant whom it solemnly decrees has no legal existence, whilst the real parties defendants to the action are neither cited nor summoned. Such proceedings cannot be said to be due process of law. The court that rendered the judgment had before it neither a qualified plaintiff to stand in judgment nor any defendant at all against whom the judgment could be rendered or enforced. The judgment is ostensibly against the company, but in reality is aimed at those persons denominated its officers, agents and representatives, none of whom are individually made parties to the suit. It is absurd to say that persons can be the officers, agents or representatives of a corporation not in existence. There can be no agent or representative of a so-called principal having no existence in fact. In such cases

the law of the State expressly provides that the persons composing the association must be cited and summoned in their individual names.

Finally, after the trial of the case had been closed the State applied for and obtained a writ of injunction under which the assets and property of the owners were taken from under their control and the obligation of contracts was violated without any process or hearing whatever, and by which this association and the members composing it without process of law have had their property taken from them and their right to deal with it as they please as all other persons are entitled to do denied and taken from them.

We respectfully submit that the judgment of the Supreme Court of Louisiana affirming the judgment of the District Court rendered in this case should now be annulled, avoided and reversed under the writ of error issued in this case and that there should be judgment declaring said proceedings had before the courts of Louisiana to be without due process of law and null and void and of no effect, and the plaintiffs in error further pray for all orders and decrees necessary in the premises and to which they are by law entitled, and for all costs of suit and for general relief.

Respectfully submitted,

J. F. PIERSON,
Attorney for Plaintiffs in Error.

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Office Supreme Court U.
FILED
DEC 10 1900
JAMES H. McKENNEY,
Clerk.

No. 129.
Motion to dismiss
Filed Dec. 10, 1900.

(17,505.)

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1900.

No. 129.

THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY OF LOUISIANA, LIMITED, ET AL., PLAINTIFFS IN ERROR,

versus

THE STATE OF LOUISIANA.

In Error to the Supreme Court of the State of Louisiana.

And now comes the State of Louisiana, defendant in error, herein, by Walter Guion, Attorney General for the State of Louisiana, and by Milton J. Cunningham and Frank E. Rainold, who appear as counsel in her behalf, and moves the Court to dismiss the writ of error in the above cause for want of jurisdiction, because the judgment or decree from which the said writ of error purports to have been taken is the judgment or decree of the Supreme Court of one of the United States, to-wit: Supreme Court of the State of Louisiana.

2. Because said judgment remanded said cause for further proceedings in the lower court, and the judgment was and is therefore not a final one.

After the Supreme Court had rendered judgment in this cause, applications for a rehearing were made by all parties. The Court, in passing on these applications, amended the judgment so as to remand the cause to the lower court for the purpose of determining whether the liquidation of the corporation should be through a receiver to be appointed by the Court, through a liquidator to be appointed by the Governor of the State, or whether the defendants themselves should have the right to liquidate its own affairs. The cause has, therefore, not been determined by a final judgment.

3. Because by said judgment no decision was made upon a federal question which had been raised by the plaintiffs in error. The plaintiffs in error claim that there was not due process of law inasmuch as the citation was addressed to the New Orleans Debenture Redemption Company of Louisiana, Limited, through its proper officers, and took the position, that citation should have been addressed to each and every owner of a share of stock in the corporation.

This is a suit to oust the corporation from the exercise of its franchise, and the manner and form of citation, in such a case, is provided by statute of the State of Louisiana. This statute provides that citation should be addressed to the defendant, as in ordinary cases, and that service should be made as in ordinary cases. The Supreme Court held that citation had issued properly and had been served in accordance with the terms of the statute as well as with the provisions of the charter of plaintiffs in error. Nowhere in the pleadings was the constitutionality of this statute raised by the plaintiffs in error, and hence there is no federal ques-

tion involved in this cause. There has been no taking of property without due process of law, because the judgment of the Supreme Court is not final as to the disposition of the assets of plaintiffs in error. The whole question was remanded to the lower court and left an open one as to whether the parties in interest should be allowed to liquidate their own affairs, or whether the assets should be distributed under the supervision of the court. Until the lower court shall have appointed a receiver, or confirmed a liquidator, there can be no taking of property either with or without due process of law. The issuance of an injunction, which restrained the corporation, its officers, agents and employees from disposing of the property during the continuance of the suit, and from carrying on business as a corporation until its right so to do had been determined by final judgment, does not involve a federal question.

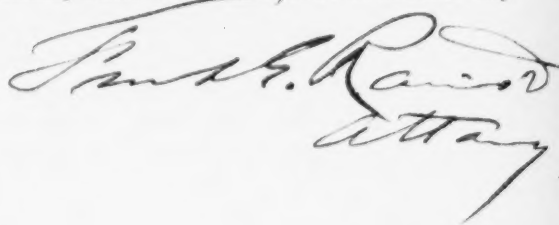
4. Because the judgment rendered by the Supreme Court was given on grounds which Section 709 of the Revised Statutes of the United States does not make cause for error. In its opinion, the State Supreme Court not only decided that the citation issued in accordance with the terms of the Statute of the State, but likewise found the following facts:

That all the persons connected with the Association as stockholders had appointed the President as the proper person upon whom citation might be served in any suit that might be brought against them.

By this convention they likewise agreed that they could be sued in the name of the New Orleans Debenture Redemption Company of Louisiana, Limited; hence the parties were bound by their agreement, and since citation had issued to them in the manner and form as they agreed it should issue, and was served upon the officers designated by them, they had no ground for complaint. As the decision of the State

Supreme Court could stand upon these grounds alone this case furnishes no cause for error.

Wherefore mover prays that this motion to dismiss be granted and the writ of error dismissed for want of jurisdiction; but should said motion be not allowed for the reasons set forth, that the judgment of the Supreme Court of Louisiana be finally affirmed with costs, and mover prays for such other and necessary relief which the nature of the case may require.



Office Supreme Court U.S.
FILED
DEC 7 1900
JAMES H. McKENNEY,
Clerk.

No. 129.

Br. of Cunningham & Rainold for D. E.

Filed Dec. 7, 1900.

IN THE

United States Supreme Court.

OCTOBER TERM, 1900.
NO. 129.

THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY, OF LOUISIANA, LIMITED, Et Al., Plaintiff in Error.

VERSUS

THE STATE OF LOUISIANA, - Defendant in Error.

In Error to the Supreme Court of Louisiana.

Brief on Behalf of the State of Louisiana, Defendant in Error.

WALTER GUION,
Attorney General.
MILTON J. CUNNINGHAM,
FRANK E. RAINOLD,
Of Counsel for the State of Louisiana, Defendant in Error.

L. Graham & Son, Ltd. New Orleans.

IN THE UNITED STATES SUPREME COURT

OCTOBER TERM, 1900.

No. 129.

THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY, OF LOUISIANA, LIMITED, ET AL.,
PLAINTIFF IN ERROR,

versus

THE STATE OF LOUISIANA, DEFENDANT IN ERROR.

In Error to the Supreme Court of Louisiana.

BRIEF ON BEHALF OF THE STATE OF LOUISIANA, DEFENDANT IN ERROR.

STATEMENT OF THE CASE.

The State of Louisiana, through its Attorney General, brought this suit in the Civil District Court for the parish of Orleans against the New Orleans Debenture Redemption Company of Louisiana, Limited, for the purpose of ousting it from the exercise of a corporate franchise, putting an end to its corporate existence, and liquidating its affairs.

The gravamen of the complaint of the State is:

(1) That the purposes for which the company claims to be incorporated, as disclosed by the acts purporting to be its

charter and amended charter and the business actually conducted by the company, involves a gambling scheme, is *contra bonos mores*, against public policy, and in conflict with Art. 172 of the late, and Art. 188 of the present Constitution of the State of Louisiana.

(2) That Act 36 of 1888 of the General Assembly of Louisiana, under which said company claims to be a corporation, by the adoption of a notarial charter drawn in accordance with its provisions, and by virtue of which said company claims the right to exercise a franchise as a corporation chartered by the State of Louisiana, is **not a statutory warrant** for the incorporation of a **debenture scheme** such as is operated by the said company.

(3) That even if the objects and purposes of the company as set forth in its charter are legal and are within the purview of Act 36 of 1888, and even if the defendant company is organized for an ostensible purpose that is legal, and the charter is valid, the real business carried on under the cloak of the charter is illegal and against public policy, and hence the corporation has been **guilty of misuser.**

(4) That the said company has issued fictitious stock and thus violated the provisions of the Louisiana Constitution as contained in Article 266 of the New Constitution, and Article 238 of the Constitution of 1879, and the penalty of forfeiture therein provided should be enforced.

The prayer of the State asked for alternative relief, as follows, viz.:

(1) That the charter be declared a nullity; or,

(2) If the charter should be held to be valid, that it be forfeited for misuser.

And in all events, that the Debenture Company be ousted from exercising a corporate franchise, and be enjoined and

prohibited from acting as a corporation or carrying on business as such, and its affairs be liquidated.

A preliminary injunction was issued upon the filing of the original petition, but was set aside on motion of the Debenture Company. This preliminary injunction was reinstated by the court in a slightly modified form when the State again requested it by supplemental petition, *before, and not after, the case was argued and submitted,* as the plaintiffs in error set out in their assignment of errors Nos. 7 and 13; and was made perpetual by the judgment of the lower court only after an opportunity had been afforded counsel for the Debenture Company to be heard thereon. As it finally issued, it was no broader in its terms than requested by the State in its original petition.

After first appearing in court for the purpose of setting aside the preliminary injunction, and after filing a motion to be allowed to bond the same, the Debenture Company filed an exception (an exception corresponds to the demurrer of the Common Law), under which the following contentions were made and urged in argument:

(1) The State is not rightfully a party and is without right or interest to prosecute this suit.

(2) Each and every owner of a share of stock should have been made a party to this action and a citation should have issued to each shareholder; until that was done, no judgment could be rendered against the Debenture Company, although a regular citation had issued to it, addressed to "The New Orleans Redemption Debenture Company of Louisiana, Limited, through its proper officers," and had been served on its president as required by law.

(3) The petition disclosed no cause of action.

(4) The causes of action are inconsistent and conflicting.

The exceptions were overruled, and the Debenture Company filed an answer wherein after generally denying all the allegations of the petition, it averred that it was a duly and legally constituted private corporation, organized in conformity with the laws of the State of Louisiana and more especially Act 36 of 1888 "for the pursuit by it of the private enterprise and purpose set forth in its charter, that it was so created and constituted by an act passed before Henry L. Garland, Notary Public, on the 25th day of September, 1894, by the twenty persons, stock subscribers, by whom the said contract and agreement was made and executed, to create and constitute this defendant an active and duly organized corporation."

The answer further set forth that the business of the corporation was a lawful one, and prayed that the demand of the State be rejected.

A supplemental answer was thereafter filed which sets forth that Act 36 of 1888, is a statutory warrant for the incorporation of the Debenture business, and further:

"That the purpose of this suit is to deprive the defendant, a duly and legally organized corporation under the laws of this State, of the legal right to engage in or pursue the same in any manner; that this suit as instituted and now prosecuted is for a purpose and has for its object one which is in violation of the Constitution of this State and of the Constitution and laws of the United States, in that it deprives the defendant of its property without due process of law and denies this defendant the equal protection of the laws of the State of Louisiana and of the United States, and that said object and purpose is in contravention of the Constitution of the Sate of Louisiana and of the Constitution and Amendments thereto and the laws of the United States, in that said object and purpose is intended to deprive this defendant of

its lawful right to pursue a lawful business, calling or avocation, and said object and purpose is an unlawful discrimination against this defendant corporation and a denial to it of the equal protection of the law in the pursuit of its business."

These are the **Federal Questions** as raised by the **defendant corporation** in the lower Court. It is worthy of notice in considering the assignment of errors that it is the Corporation that makes the claim of being deprived of its property "without due process of the law," etc.

The cause was thereafter tried on the merits. All the Directors of the Debenture Company were summoned as witnesses by the State, but the testimony of a very few sufficed.

The State proved its case by overwhelming evidence. It demonstrated to the satisfaction of the trial Judge that the business of the Debenture Company was illegal, and the real purpose of its incorporation was *contra bonos mores* and against public policy. The opinion of the Supreme Court reviews the facts. It further showed that nearly all the stock issued was fictitious. This is the way it was done: After making a call of ten per cent. upon the stock subscribed for, and declaring a divident of five per cent, the Board of Directors passed a resolution calling for the payment of the balance due by the shareholders, amounting to 85 per cent. of their subscriptions.

They then, at a subsequent meeting, passed a resolution authorizing any subscriber to the stock to borrow 90 per cent. of its face value, upon giving the Company his note for the amount and pledging the certificate of stock issued to him as **full paid stock**. Most of the stockholders availed themselves of the privilege of borrowing 90 per cent. of the face value of the stock. On the same day the subscribers to stock gave their checks to the Company for 85 per cent. of their sub-

scription they received the check of the company for 90 per cent. of the face value of the stock. They executed their notes for an amount equal to 90 per cent. of the face value of the stock, and thereupon the secretary issued, in the name of the subscribers, certificates of stock as fully paid up. These certificates were pledged to the company for the security of the individual notes of the subscribers.

The most important facts and the most essential for the determination of the issues presented to this Court are those which were found by the lower court and reviewed by the Supreme Court, which relate to the validity and legality of the citation. The Court found that all the parties claiming to be stockholders of the Debenture Company (which includes all those who joined in the appeal to the State Supreme Court, and appear here as plaintiffs in error—together with the Debenture Company), had entered into a contract with each other and agreed and stipulated in said contract that they should be sued in the name of the New Orleans Debenture Redemption Company of Louisiana, Limited, in all matters pertaining to or growing out of the joint enterprise.

In said contract they further stipulated that one of their number, namely, their president, should be their agent for the purpose of receiving citation, and for the purpose of representing them in all suits and judicial proceedings.

The Court further found that citation in this case had been directed to the New Orleans Debenture Redemption Company of Louisiana, Limited, the name which the association of individuals claiming to be a corporation had selected, and that the citation had been served upon Walter H. Rogers, president of the company, who had been appointed by all of them as their agent to receive citation and to represent them in all suits and in all matters growing out of suits.

The lower court rendered judgment annulling the charter and declaring it void. It perpetuated the preliminary injunction and prohibited the Debenture Company, its officers, directors, agents or representatives from carrying on business as a corporation, and from removing its assets from the State.

The judgment was one of ouster, and was most sweeping in its terms.

(Tr., p. 389).

Thereafter, the Governor of the State of Louisiana, acting by virtue of section 731 of the Louisiana Revised Statutes, which empowers him to appoint a liquidator whenever the charter of a corporation is forfeited, appointed A. M. Benedic liquidator. Application was made to the Court for his recognition as liquidator in the above proceedings. The Court rendered an order recognizing A. M. Benedic as liquidator of the New Orleans Debenture Redemption Company of Louisiana, Limited, and authorizing him to take charge of all the assets of the company.

The Debenture Company took two appeals; one from the judgment annulling its charter and perpetuating the injunction, and one from the decree recognizing A. M. Benedic as liquidator.

First appearance of the other twenty-three plaintiffs in error.

Up to this time, the proceedings had been conducted by the State as plaintiff, and the New Orleans Debenture Redemption Company as defendant. The other twenty-three plaintiffs in error filed as their first pleading a petition for a suspensive appeal from the judgment of the lower court. They averred that they desired to intervene solely for the purpose of taking and prosecuting an appeal to the end that on said appeal they may be enabled to be heard, and "to reverse, annul and set aside all of said proceedings in said matter."

They complained that they had not been made parties to the suit in their individual names, and because none of them had been served with individual citations, and that furthermore the citation that had been served on Walter H. Rogers (one of their number), was not sufficient, because it was addressed to the "New Orleans Debenture Redemption Company of Louisiana, Limited, through its proper officers."

In this petition, however, these twenty-three stockholders do not invoke the protection of the Federal Constitution and its amendments. It is only in their **application for a rehearing** that they claim to be deprived of property without due process of law, etc.

On appeal, the cause was duly heard before the Supreme Court of Louisiana.

On June 22, 1899, the judgment of the lower court was affirmed (Tr., p. 423).

On June 29, 1899, the Court passed upon the separate appeal from the order recognizing the liquidator. The decree of the lower court was reversed and the order recognizing August M. Benedic was set aside and the matter left at large. All the rights of the parties were reserved as related to the appointment of a receiver or liquidator "to be hereafter passed upon" (Tr., p. 488).

On June 30, 1899, the Supreme Court passed upon the applications for rehearing. The opinion of the Court says "The illegality of the charter was decreed. The Court considered that as to liquidator or receiver *vel non*, contradictorily with parties in interest, the question can be considered in the District Court, to which the judgment is **remanded** for execution.

"The whole question as to the appointment of liquidator or receiver was left at large and to be considered as an original question. **Whether the appointment of liquidator lies**

with the Governor, or of a receiver with the Court, or the parties in interest, we do not determine. It is left an open question. Rehearings refused (Tr., p. 430).

The New Orleans Debenture Redemption Company of Louisiana, Limited, and the twenty-three stockholders, who had intervened "solely for the purpose of taking an appeal," applied for a writ of error returnable to the U. S. Supreme Court.

The application after having been denied by the Chief Justice of the Louisiana Supreme Court, was granted by Mr. Justice White of this Court.

THE QUESTIONS

Involved in the Assignment of Errors.

The Assignment of Errors may be resolved, as we appreciate the case, ito four questions, or groups of questions, which this Court is called upon to consider. These questions are as follows:

I.

Has the State of Louisiana the right to appear as plaintiff in this suit, which is one to oust a corporation, or an association of persons, from the exercise of a corporate franchise, on the alternative grounds of nullity of its charter, or misuser thereof.

(Assignment of Errors 1 and 16.)

II.

Was the citation, addressed to the "New Orleans Debenture Redemption Company of Louisiana, Limited," sufficient and legal, and "due process of law," or was it necessary to address a citation to each and every stockholder of

the Debenture Company before a trial could be had in this suit, and before the charter of the Debenture Company could be annulled or forfeited?

(Assignment of Errors 2, 3, 4, 5, 6, 8, 9, 10, 11 and 14.)

III.

Was the preliminary injunction granted on a supplemental petition filed after the case was argued and submitted, or was the preliminary injunction reinstated before the case was argued and submitted?

Is it true that the preliminary injunction was made perpetual, without notice to, or hearing of any party defendant, and does the injunction deprive the Plaintiffs in Error of their liberty and property without due process of law, or the equal protection of the law?

(Assignment of Errors 7-13.)

IV.

Did the State Supreme Court commit a reviewable error in remanding the case to the trial court to determine whether a receiver should be appointed by the court, a liquidator by the Governor, or the stockholders be permitted to elect their own liquidators?

(Assignment of Errors 13, 15, 16 and 17.)

V.

Was the *debenture business*, as carried on by the debenture company, the **"lawful"** business or avocation of plaintiffs in error?

(Assignment of Errors Nos. 11, 12 and 13.)

ARGUMENT.

I.

Has the State of Louisiana the right to appear as plaintiff in this suit, which is one to oust a corporation, or association, from the exercise of a corporate franchise, on the alternative grounds of nullity of its charter, or misuser thereof.

(Assignments of Error 1 and 16.)

We do not believe your Honors will find any issue involved in this question, which is suggestive of error, reviewable by this Court.

A franchise is a special privilege conferred by the government on individuals, and does not belong to the citizens of a country generally, of common right. Bank of Augusta vs. Earle, 13 Pet. 519.

It is essential to the character of a franchise that it should be a grant from the sovereign authority, and in this country no franchise can be had which is not derived from a law of a State or the United States.

If a franchise is a privileged immunity of a public nature which can not be legally exercised without legislative grant, to be a corporation, is a franchise, etc. **People vs. Utica Ins. Co., 15 John. 387.**

The right to be a corporation then emanates from the State, and can not be lawfully exercised without legislative grant. If there be no such grant, and it is attempted to exercise a corporate franchise without it, the State has the right to intervene to oust the usurpation. If the corporate franchise be granted and accepted, it becomes, in the case of a private corporation, a contract to which the State and the corporation are parties, and the rights of either, under this contract, may be vindicated by an appeal to the courts Text books and authorities concur in these propositions.

Corporations are formed "for definite objects, and their powers and duties are prescribed by law. The State confers upon them a valuable franchise and expects the performance of specific duties. They must exercise their franchises, perform their duties and obey the commands of the law as conditions of their existence. If they fail to travel in the orbits designated by the law of their existence, the State can take away the corporate life which it has created. **No one can take advantage of a breach of the conditions on which a corporation was created for the purpose of depriving it of its franchise, but the sovereignty by which it was created." Elliott on Private Corporations, 236.**

"There are, at common law, two modes of proceeding judicially to ascertain and enforce the forfeiture of a charter for misuser or non-user. One by *scire facias* , and that process is proper when there is a legal existing body capable of acting, but which has abused its power. The other mode is by information in the nature of a *quo warranto*, which is in form criminal, and in its nature a civil remedy, and that proceeding applies when there is a body corporate *de facto* only, and which takes upon itself to act, though from some defect in its Constitution, it can not legally exercise its powers, or when an association assumes to act as a corporation, without even a color of authority. Both of these modes of proceeding are at the instance and on behalf of the State. Private individuals, as we have seen, can not institute proceedings unless there is some statute expressly granting the right to do so. The judgment in such proceedings is that the parties be ousted from the exercise of corporate powers and privileges. The mode of proceeding is now very generally prescribed and regulated by statute, and in suits against States information in the nature of *quo warranto* is the mode in all cases."

The matter is regulated by statute in Louisiana, and the duty is imposed upon the Attorney-General to bring such suits upon his own information or upon the information of private individuals.

We quote from the **Revised Statutes of Louisiana, Section 2593, et seq.:**

"An action by petition may be brought before the proper district court or parish court by the District Attorney, or District Attorney *pro tempore*, and for the Parish of Orleans by the Attorney-General, or any other person interested, in the name of the State upon his own information, or upon the information of any private party against the party or parties offending in the following cases:

"First, when any person shall usurp, intrude into or unlawfully hold or exercise any public office or franchise within this State; or * * * Third, when any association or number of persons shall act within this State as a corporation without being duly incorporated.

"Section 2595. Service shall be made in such cases * * * the same as in other civil suits. * * *

"Section 2602. When defendant, whether a person or a corporation against whom such action shall have been brought, shall be adjudged guilty of usurping or intruding into or unlawfully holding or exercising any office, franchise or privilege, judgment shall be rendered that such defendant be excluded from such office, franchise or privilege, and also that the plaintiff recover costs against such defendant and such damages as are proven to have been sustained."

Section 131 likewise makes it the duty of the Attorney-General to institute proceedings against all banking or other corporations, chartered by the State, to obtain the **forfeituer** of their charters in cases of violations of the same where no

provision has been made by law for the forfeiture of their charters.

It seems clear, therefore, that the State is not only a party who may bring a suit of this character, but is the **only party** who may appear as plaintiff unless otherwise provided by statute. The fact that the State of Louisiana brought suit by petition, in accordance with her laws, to oust the Debenture Company from the exercise of its franchise, or to forfeit the same, certainly involves no federal question. In overruling the exception of the Debenture Company involving this point the State Court committed no error.

In conclusion, we beg your Honors to notice that under the statutes the proceeding is by **Civil Suit** and a **corporation** may be **the defendant**. The question of the service of process and its sufficiency is discussed under the next heading.

II.

Was the citation addressed to the "New Orleans Debenture Redemption Co. of Louisiana, Limited," sufficient and legal and due process of law, or was it necessary to address a citation to each and every stockholder of the Debenture Company before a trial could be had in this suit, and before the charter of the Debenture Company could be annulled or forfeited.

(Assignment of Errors 2, 3, 4, 5, 6, 8, 9, 10, 11 and 14.)

In considering this question there are two possible ways of viewing the legal status of the Debenture Company at the time of the filing of the petition.

First: It was a *corporation* with all the rights and privileges appertaining to such a legal entity and subject to all the laws relative to corporations enacted by the State of Louisiana. It continued to be a corporation, or rather will continue

to be a corporation, until a final judgment is rendered against it, annulling or forfeiting its charter.

Second: It was an *association of persons* without any corporate rights or corporate franchise—an association of persons for the purpose of carrying on a *joint enterprise* under a *common name* and under the directions of some of their members, whom they called *president, secretary, treasurer* and *Board of Directors.*

Let us consider the validity, or rather the constitutionality of the citation from these two standpoints. The citation was addressed to the "New Orleans Debenture Redemption Company of Louisiana, Limited, through its proper officers," and was served upon Walter H. Rogers, in person, as president of said company. If the company be a corporation and remain a corporation until it shall be decreed otherwise, or until its charter has been forfeited, there can certainly be no controversy that the citation is regular, proper, valid and due process of law. We do not understand that there is any difference of opinion on this point, nor can we comprehend how there could be; so that if this Court is of the opinion that the State did not annihilate the defendant corporation by the mere filing of the petition, the conclusion is inevitable that the citation is valid.

The Debenture Company certainly pretended to be a corporation. It took advantage of the corporation laws of the State and framed their articles of agreement in accordance with the Revised Statutes of the State of Louisiana, complying with all the provisions relative to the formation of corporations. The defendant company availed itself of all the rights, privileges and immunities belonging to a corporation organized under the laws of the State of Louisiana. It appeared in court, averring that it was and is a valid legal corporation. Therefore, there can be no injustice in treating the

Debenture Company in the capacity in which its organizers and stockholders desired to be treated. In all suits that may have grown out of transactions between it and third persons who dealt with it as a corporation, it could not be heard to deny its corporate existence. In other words, had it been sued as a corporation in its corporate name, under citation similar to the one issued in this case, served in the manner in which the citation herein has been served, it would have been estopped from denying its corporate existence, if the plaintiff in suit had treated with it as a corporation.

Jones vs. Trustees of Mount Zion, 30 An. 711.

The plaintiff himself in such a case would be estopped from denying the corporate existence of the Debenture Company, and if either estoppel had been set up and maintained in the State Court, would this Court for one moment entertain the question upon writ of error as involving the rights of the parties under the United States Constitution? We think not. We fail to appreciate in what the Federal question would consist. So in this case, we fail to appreciate how and in what manner the jurisdiction of this court extends to the controversy regarding the citation. Whether the Debenture Company be a corporation at the time of the filing of the suit and until final judgment shall have been pronounced, is a question of fact pure and simple, which in no manner can concern a federal tribunal on writ of error. When the Supreme Court of the State of Louisiana decided that it was entitled to corporate existence until final judgment had been pronounced, it committed no error reviewable by your Honors.

Rev. Stat., Section 2595 (already quoted) provides that the service of citation shall be made in suits to oust a corporation from the exercise of a corporate franchise, the same as

in other civil suits, and Section 2602 provides that the corporation may be defendant in such a suit.

In other civil suits against the New Orleans Debenture Redemption Company of Louisiana, Limited, proceedings would have been begun in the same way in which this suit was begun. The citation would have been addressed to the Debenture Company in exact conformity with the citation in this suit and it would have been served in the same way in which the citation was served in this suit; therefore unless the Court is of the opinion that the Debenture Company, or its stockholders, could have brought any ordinary suit before this Court by writ of error, after judgment had been pronounced against it by the Supreme Court of Louisiana, upon the theory that such citation was not "due process of law," we do not appreciate how your Honors can entertain the proposition advanced in this cause on behalf of the plaintiffs in error. Suppose the Debenture Company had been sued for rent by its landlord and such a citation had issued as was issued in this case; that the Debenture Company had alone defended the suit until a final judgment had been pronounced against it; that the Debenture Company had appealed and had been joined in the appeal by its twenty-three stockholders, and that the State Supreme Court had affirmed the judgment of the lower court, would this Court entertain an application for a writ of error in such a case on the ground that the citation was unconstitutional, and that an attempt was being made to deprive the Debenture Company of its property without due process of law? The question carries its own answer, and we see no difference in principle between that case and the case at bar.

The Supreme Court of Louisiana held that the citation had issued properly and had been served in accordance with the terms of the statute governing such citations. It construed

the statute to mean that where a corporation should be sued by the State for the purpose of ousting it from its corporate franchise, either because said corporation was intruding into a franchise to which it had no legal right, or because of misuser, a citation should be addressed to it in the name selected by the members of said corporation and should be served on the persons designated in their articles of agreement. The constitutionality of that statute was never directly called in question by the Debenture Company. Unless the Court construes the general allegation made in the answer of the Debenture Company, that "the purpose of this suit is to deprive the Debenture Company, a duly legally organized corporation, of the legal right to engage in or pursue its business, and that the suit has for its object one which is in violation of the Constitution and laws of the United States," into a specific attack upon this statute governing the issuance, service and form of citation in this suit, the conclusion is inevitable that so far as the citation is concerned, no federal question has been properly raised.

Oxley Stave Company vs. Butler County, 166 U. S. 648.

Let us now view the Debenture Company as an association of individuals without corporate existence. Is the citation valid and does it constitute due process of law? The Supreme Court of Louisiana also discussed the question from that standpoint. It determined as a matter of fact that all persons claiming to be stockholders were bound by the terms of the contract which they entered into, and which they denominated a charter. By the terms of this contract they agreed and elected to be sued under the name of the "New Orleans Debenture Redemption Company of Louisiana, Limited," and further agreed that all citations and other legal process should be served on one of their number whom they had chosen as president. The president was therefore constituted the **common agent** of

all persons connected with the Debenture Company as stockholders, and he was specially authorized to receive citation. The terms of the contract between the parties expressly stipulated that they should be sued under the name of the New Orleans Debenture Redemption Company of Louisiana, Limited. If the parties had never attempted to form themselves into a corporation but had signed articles of copartnership containing the above provisions, it is clear that a citation addressed to them in the manner and form set forth would be valid and legal. But even if the charter is null and is to be considered null from the moment of the filing of the petition against the Debenture Company, certainly it is good as articles of copartnership. The business carried on would not be a *corporate* business but the business of a copartnership, but a citation would be valid if addressed to the concern in the name under which it carried on business with the public. Here again we fail to appreciate in what manner the jurisdiction of this Court attaches. The Supreme Court of Louisiana in holding that Walter H. Rogers was the agent of all the defendants and that therefore they were bound by the judgment, merely decided a matter of fact. Whether or not Walter H. Rogers is a properly constituted agent for the purpose of receiving citation is not an issue involving a federal question; it is a mere matter of evidence.

In discussing this citation from the alternative standpoints; first, that the Debenture Company is a corporation until a judgment is pronounced against it, and, second, that it was at the time of the filing of the petition a mere association of individuals, we neglected to call the attention of the Court to the fact that this suit is brought against the Debenture Company not only on the theory that it has unlawfully intruded into a corporate franchise, but the alternative plea is set forth in the petition that its charter is subject to forfeiture because

inter alia the corporation has violated the Constitution of the State regarding the issuance of stock. The Supreme Court of Louisiana held that a suit could be brought upon the alternative grounds alleged in the petition. The opinion of the Court expressly finds that the Debenture Company has been guilty of issuing fictitious stock in violation of the Constitution of the State of Louisiana. The penalty set forth in Article 266 of the New Constitution (Article 258, Constitution of 1879) is the forfeiture of its charter should a corporation be found guilty of such an act. Let us disregard that portion of the prayer of the petition which seeks to oust the corporation from the exercise of its corporate franchise on account of the illegal character of its business, and let us look at the case as one to forfeit the charter of a valid corporation for misuser. How should the citation be served? How should it be addressed? Manifestly to the New Orleans Debenture Redemption Company of Louisiana, Limited, for certainly it can not be contended that in such a suit citation should be addressed to each and every stockholder before the charter could be forfeited.

The brief of counsel for plaintiffs in error was received by us while we were correcting the proof of our brief. We notice on page 11 of plaintiffs' brief that counsel "eliminates all allegations contained in the petition which relate to forfeiture of the charter," and "limits the case here to those allegations alone which support the prayer of the petition for the 'nullity' of the charter demanded." On page 34 of the same brief, we are gravely told that the demand for forfeiture of the charter "dropped out of the case when the final judgment of the District Court was rendered on March 2, 1899."

We are finally told that the plea of misuser of the corporate franchise based on the allegations as to the fictitious stock, is no longer involved, because the State failed to an-

swer the appeal taken by the Debenture Company, and pray for the amendment of the judgment.

As already set forth, the petition contained alternative pleas, although the relief sought was practically the same.

The petition alleged the absolute nullity of the charter on the ground of the illegality of the business; and in the alternative that the charter should be forfeited for misuser of the corporate franchise. The relief sought was to oust the Debenture Company from the franchises into which they had intruded, to perpetually enjoin the company, its officers and agents from thereafter carrying on the debenture business under their charter, and to liquidate the affairs of the company.

It could make no difference to the State upon which ground the trial court decided to rest its judgment.

Alternative pleas are permitted and sanctioned by the jurisprudence of Louisiana, because they avoid a multiplicity of suits.

30 Annual, 1263, Johnson vs. Meyer.

34 Annual, 687, Chaffe vs. Greene.

27 Annual, 98, Smith vs. Donovan.

16 Annual, 189, Weber vs. Gaillard.

It was for that reason that the exception interposed by the Debenture Company, claiming that the causes of actions were contradictory, was overruled by the trial judge, whose ruling was sustained by the Supreme Court in a similar case argued together with this cause.

See **51 Annual, 795, State vs. Louisiana Debenture Company**.

The contention of the learned counsel of the Debenture Company now is that a serious accident happened to the State's petition when the lower court rendered a judgment in its favor. We have labored under the impression that the

judgment of the lower court was as absolutely in favor of the State as could be desired. It is an absolute and unqualified judgment of ouster. It forbids the Debenture Company, its officers and agents, from exercising a corporate franchise by a perpetual injunction.

Upon what theory did a part of the State's petition "drop out" of the case when such a judgment was rendered? What portion of the judgment annihilates the plea of misuser? Counsel tells us that the State is deprived of this plea because forsooth the trial judge rested his decision upon the nullity of the charter! There can be no doubt that the language in which the judgment is couched shows that Judge Monroe considered the charter null and void *ab initio*. We may conclude that he saw no necessity for passing upon the plea of misuser. The character of the judgment, however, would have been the same had the learned judge rested it upon the alternative plea. The judgment in either event would have been one of ouster, although the verbiage might have been different.

Such a judgment could not and did not eliminate one of the issues from the cause. The doctrine advanced by counsel for plaintiffs is a new one, and we observe that he has cited no authorities to maintain his statement.

His next contention is that plea of misuser disappeared from the case, because the State failed to file an answer to the appeals, and pray for an amendment of the judgment of the lower court.

It is perfectly true that the Code of Practice provides in Article 888 as follows, viz.:

Prayer for Amendment.—If the appellee has cause to complain of the judgment appealed from he may, without appeal on his part, state in his answer the points on which he thinks he has sustained wrong, and may pray that the

judgment be reversed with respect to them, and confirmed with costs on the rest.

The State would indeed be hard to satisfy if it could find any cause to complain of the judgment of the lower court. We can not discover in what respect the State "sustained wrong."

Article 889, which is cited by our learned opponent, provides that there shall be no subsequent appeal by an appellee who does not pray that the "judgment be reversed on those points which are prejudicial to him."

We fail to see its applicability, as we can find nothing in the judgment prejudicial to the State. The Code of Practice (Art. 891) further provides that the case can be heard without the appellee having filed an answer and the judgment shall not be the less valid.

It seems to us that it would have been folly on our part to have asked for an amendment of the judgment of the lower court. It absolutely granted the relief prayed for. It excluded the debenture company from its corporate franchise, and in that respect conforms with the provision of Section 2602 of the Revised Statutes which provides for the kind of judgment to be rendered in such cases.

Any modification of the judgment that it is possible to imagine would be in favor of the appellant, not in favor of the appellee. Hence, it was not incumbent upon the appellee to answer the appeal and to pray that the judgment be reversed on any point.

The complaint of the appellant brought the judgment before the Louisiana Supreme Court, for review, and that tribunal considered that either plea of the State of Louisiana upheld the judgment of the lower court.

The brief of the plaintiffs in error is limited to those "allegations alone which support the prayer of the petition for the

nullity of the charter demanded" (p. 11). We gather from the language employed that should this tribunal hold that the Supreme Court of Louisiana committed no reviewable error in maintaining the right of the State to advance both pleas contained in the petition in support of the judgment of the lower court, and in further maintaining that both pleas were sustained by the law and the evidence, then the plaintiffs admit the lack of an argument to sustain their position.

It seems to us a proposition too plain for argument that a suit for ouster on account of misuser must be brought against the corporation by its corporate name under any system of law. It also seems plain that the present cause comprehends and embraces such an action. The suit was properly brought against the proper defendant and the citation constitutes due process of law.

It seems to us from whatever standpoint we view the question of citation there is no federal question presented for decision. Even were there a federal question involved, it seems plain that the case was decided on independent grounds broad enough to maintain the judg ment. **Beatty vs. Benton, 135 U. S., 244; Hammond vs. Johnson, 142 U. S., 73; Bacon vs. Texas, 163 U. S., 207; Moran vs. Horsky, 178 U. S., 207.**

Let us now consider what effect, if any, the appearance of the other twenty-three plaintiffs in error in the proceedings had upon the question of citation. These twenty-three persons claiming to be stockholders, made themselves parties to the suit after final judgment had been rendered by the lower court. They availed themselves of provisions of the Code of Practice of the State of Louisiana relative to appeals by third persons. The Code of Practice allows all third persons interested in a litigation to intervene in a suit for the protection of their rights and for the purpose of taking an ap-

peal. In other words, they can make themselves parties to the litigation, **but if they do they are certainly bound by the final judgment rendered on appeal.** They must issue citation to all parties of record before they are recognized as intervening parties (**See Code of Practice. Article 571; Escobas vs. Calcasieu Sulphur Mining Company, 33 An. [La.] 484; State vs. Wickliffe, 21 An. [La.] 755**).

The State of Louisiana accepted service of citation of the intervention filed by the stockholders, and from that time on they have been parties to the litigation and have been seeking to set aside the judgment of the lower court, not only on the ground of want of personal citation, but for the purpose "of taking and prosecuting an appeal to the end that on said appeal they may be enabled to be heard and to reverse, annul and set aside all of said proceedings in said matter."

The voluntary appearance of a defendant in court for any other purpose than to object to the want of citation has been held under the law of Louisiana to waive its necessity. **Code of Practice. Art. 206; Tutorship of Minors Byland, 38 An. 757.**

Granting, for the sake of argument, that these stockholders are defendants because the action contemplates the issuance of an injunction against them *as stockholders*, and that each and every one of them is entitled to a personal citation, the want of such citation has been cured by their appearance for other purposes than merely to object to the want of citation.

That these stockholders did not choose to make themselves parties to the suit until after the case had been tried in the lower court, does not alter their position or add to their rights. This Court has upheld the validity of a statute of Texas, which provides that the appearance of a defendant for

any purpose whatsoever, dispenses with the necessity of citation. **Kauffman vs. Wootters, 138 U. S. 285. See York vs. Texas, 137 U. S. 15.** We conclude that the constitutionality of our statutes is unassailable.

No federal question was ever raised by these twenty-three plaintiffs in error in the lower court; they did not complain of the proceedings as being in contravention of the provisions of the United States Constitution in their appearance in the lower court, nor did they complain before the Louisiana Supreme Court until after judgment had been rendered and they filed their application for a rehearing. Therefore, so far as they are concerned, the Court is relieved of the necessity of considering whether or not there be a federal question involved in this suit. Under these circumstances they were not entitled to a writ of error nor to be considered as plaintiffs in error.

The fact that a Federal question may have been raised by the Debenture Company in its corporate capacity would not entitle the other twenty-three plaintiffs in error to appear here; the question was not raised by them, and they can not avail themselves of the fact that it may have been raised by the Debenture Company. We say it was not raised by them because it was too late for these plaintiffs in error to raise a federal question in an application for a rehearing.

Conceding that the Debenture Company in its corporate capacity raised a federal question, these stockholders can not avail themselves of the plea. They are third persons *quoad* the corporation.

We submit that the following principles have been well settled and are applicable, viz.:

Federal questions must be raised by the parties in the lower court. It is too late to raise such questions in an ap-

plication for a rehearing after an appellate tribunal has rendered judgment.

Miller vs. Cornwall Railway Co.. 168 U. S. 131.

The right or immunity must be one of the plaintiff in error and not a third party.

Texas & Pacific Railroad Company vs. Johnson, 151 U. S. 81; Giles vs. Little, 134 U. S. 645; Ludeling vs. Chaffe, 143 U. S. 301.

The proposition is reduced to this: The right of personal citation addressed to each and every stockholder belongs to the stockholders and not to the corporation; the want of personal citation could be complained of by the stockholders and not by the corporation; they alone could invoke the protection of the Federal Constitution; as a matter of fact no such action was taken by them, but by the corporation on their behalf; hence a federal question was not raised at the proper time by the proper parties.

If the Debenture Company claimed to be a corporation and were the only plaintiffs in error here, the Court would not have very much difficulty in disposing of the contention that the citation was not due process of law. It is only when we look at the question from the standpoint of the other twenty-three plaintiffs in error that we find any room for discussion. If the validity of the citation, or rather its constitutionality, can not be questioned by the stockholders because they failed to raise a federal question at the proper time, it certainly can not be said that the Debenture Company, as a corporation, has an interest in the dispute. It appeared in court and made answer; it tried the case upon the merits, and averred and contended throughout the litigation that it was a valid, legal corporation. Certainly the Company can not here contend that there was not due process of law because it is not a corporation.

In the foregoing argument we have purposely refrained from discussing what would have been the mode of procedure under the ancient writ of *quo warranto*, or under the statutes of other States which provide for an information in the nature of the *quo warranto*. We are aware that there are decisions, construing particular statutes, which hold that where the corporate existence is at issue, the information in the nature of a *quo warranto* should be filed against the members and not against the illegal corporation, by its corporate name. There are likewise other decisions which hold that where the forfeiture of a franchise held by virtue of a valid incorporation is sought, the information must be against the corporation and not against its officers or members.

State vs. Taylor, 25 Ohio St. 279.

And in the State of New York, where there is a special statute governing proceedings of this kind, the Supreme Court in the case of **The People vs. The Bank of Hudson, 6 Cowen, p. 218**, held as follows:

"It is objected in the first place that the information, being against the defendants by their corporate name, is bad. To this it may be answered, the information is merely descriptive. It is not an affirmation that the defendant are a corporation; but that, by the name of *the President and Directors and Company of the Bank of Hudson*, or using that name, they have done the acts in the information alleged. And it then calls on them to answer, by what authority. Besides, the statute authorizes the proceedings against the corporation. The judgment must be against the corporate name. A corporation, created by the Legistature, may lose its franchises by misuser or a non-user of them. They may be assumed by the government under a judgment upon *quo warranto*, to ascertain and enforce the forfeiture (**9 Cranch. 51.**) The judg-

ment to be given is a judgment of seizure which produces a dissolution of the corporation."

The case of the **People vs. Ravenswood, etc., Turnpike & Bridge Co.**, decided by the Supreme Court of New York and reported in **20 Barbour, p. 521**, is also interesting as an interpretation of the statutes of New York governing cases of this kind.

It seems that the defendants in that case raised the objection that several causes of action were improperly joined, insisting that one cause treats the corporation as never having existed, and the other as having once existed and then lost its right to a continued existence, and that these are inconsistent allegations and the judgment to be rendered on them incompatible. The Court held that this mode of pleading is deliberately sanctioned by the jurisprudence of New York State. The opinion says:

"There is but one subject matter in this cause—the right of the defendants to continue to exercise certain franchises. That right may be decided against them by showing that they did not comply with conditions precedent to the origin of that right, or to conditions subsequent, and in either case the judgment is that they be excluded from such franchises (Code, Par. 440.443, etc.)

"The Code recognizes that the action may be against the corporation for either kind of usurpation of franchises when it provides (Par. 441) that the judgment, whether against a natural person or association, if they are found guilty of usurping a franchise, shall be that they be excluded from such franchise."

The organ of the Court in that case was Judge Mitchell, and his opinion was concurred in by Judge Cowles for separate reasons. Judge Cowles held that, "the plaintiff had recognized the corporate existence of the corporation by suing it by its corporate name, but the plaintiff showed that the cor-

poration had been guilty of misuser and for that reason the demurrer was properly overruled."

The reasons assigned by Judge Clerke, who also writes a concurring opinion, are somewhat similar to those of Judge Cowles.

The analogy between the case of The People vs. The Turnpike Company and the present suit is somewhat striking, as it will be remembered that in this case the exceptions filed by the defendant are almost identical with the demurrer filed by the Turnpike Company.

We insist, however, that your Honors need not consider the correctness of such decisions rendered by State tribunals. They have no application whatsoever to the issue presented to this Court for determination. The question, as we understand it, is not whether the law of Louisiana could have provided a different procedure or a different kind of process. The question is not whether it could not have provided for an action to be brought on an information in the nature of a *quo warranto*, against individuals who usurp or who attempt to usurp a corporate franchise. But the question is whether the statute of Louisiana, as interpreted by the Supreme Court of the State of Louisiana, which provides that the suit shall be brought against the corporation, or pretended corporation, in its corporate name; that the suit shall be civil in its nature; and citation shall issue to the defendant as in other civil suits; is unconstitutional because it does not provide for due process of law. This is the federal question which will be considered by this Court, unless your Honors conclude that it was eliminated from the case because the Louisiana Supreme Court based its decision upon other grounds.

160. U. S. 391. Iowa R. R. vs Iowa
95 U. S. 735. Pennoyer vs Neff.
9 Ex. 345. Copin vs. Adamson
4 Ex. 290. Vallee vs. Dumergue
18 Howard. 404. Lafayette Ins Co
vs. French

III.

Was the preliminary injunction granted on a supplemental petition filed after the cause was argued and submitted, or was the preliminary injunction reinstated before the case was argued and submitted?

Is it true that the preliminary injunction was made perpetual without notice to or hearing of any party defendant, and does the injunction deprive the plaintiffs in error of their liberty and property without due process of law?

Assignment of Errors, 7-13.

The statement of facts which forms the foundation of the seventh paragraph of the assignment of errors is so misleading and inaccurate as to call for contradiction. The history of the injunction issued *pendente lite* is briefly as follows:

A preliminary injunction was applied for by the State of Louisiana upon the filing of its petition, for the prayer of the petition contemplated an injunction of such a sweeping nature as to prohibit the defendant corporation, its president, secretary, general manager, officers, agents, directors and stockholders from acting as a corporation and from doing business under its pretended charter.

The State desired to prevent the defendant corporation from doing any act whatsoever during the pendency of the suit that might prejudice the rights of its creditors or the rights of anybody having contractual relations with it. It is not disputed by the plaintiffs in error that under the law of Louisiana a petitioner may be granted a preliminary injunction upon swearing to the facts stated in his petition and upon giving bond in such an amount as may be fixed by the Court. When the State itself is the plaintiff, no bond is required and the affidavit of the Attorney-General is sufficient-

We do not understand that the constitutionality of the statutes governing the issuance of preliminary injunctions upon bond and affidavit, or without bond in the case of the State, and without a previous notice and hearing, has been raised by the Debenture Company. The plaintiffs in error do not complain of the issuance of the injunction immediately after the filing of the original petition. The Debenture Company moved the Court to set aside this preliminary injunction upon the giving of bond as the law directs, and argument was heard upon that motion on May 25, 1898. On the 26th day of May, the trial Judge made the rule of the Debenture Company absolute in so far as to order that the injunction issued be dissolved and set aside without prejudice to the State's right on a final decision of the case. (Trans., p. 7.) On March 2, 1899, a preliminary injunction was again applied for by the State of Louisiana, and a supplemental petition was filed setting forth the necessity for such a remedy. This petition was presented to the trial Judge before the case was argued and submitted, **and not afterwards**, as stated in the Assignment of Errors. The trial Judge refused to grant this injunction *pendente lite* until he had heard the Debenture Company present its case. The order of court on page 388 of the Transcript distinctly says that "**since said petition was first presented, the Court has heard the defendant (the Debenture Company) present its case fully and argue same through counsel.** It is not true that the Debenture Company had no opportunity to be heard concerning the issuance of this preliminary injunction; on the contrary, the trial judge called the attention of counsel for plaintiffs in error to the fact that the petition had been filed and asked for argument thereon. It is, therefore, a fact that the plaintiffs in error had notice of and an opportunity to be heard upon the supplemental petition and the injunction

therein asked for. We can hardly speak of the statements contained on page 64 of plaintiffs' brief with patience. They amount to a deliberate accusation that the trial judge altered the final judgment after it was rendered. Not only is the statement made that the injunction was granted after final judgment, but finding themselves contradicted by the order granting the injunction and the final judgment signed by the Hon. Francis A. Monroe, now a Justice of the Supreme Court of Louisiana, the plaintiffs in error charge that the record is untrue. Needless to say, there is no evidence of the truth of the assertions in the record. Our only regret is that the Louisiana Supreme Court found it unnecessary to pass upon the writ of *certiorari* sued out by the Debenture Company, as the return of the trial judge filed in said cause was a complete refutation of a charge similar to the statements made in plaintiffs' brief.

51 La. Annual, 1824.

But the injunction as issued for the second time is no broader than could have been originally granted by the Court upon the original petition. Had it issued immediately upon the filing of the original petition, we understand that the plaintiffs in error concede that they would have no cause of complaint. We, therefore, can not appreciate in what way their rights have been affected by its reissuance a few hours before the final judgment was rendered.

But the preliminary injunction has passed into history, it has been superseded by the final judgment of the lower court, which in turn has been superseded by the various decrees of the State Supreme Court rendered originally and on rehearing.

The pertinent question is whether the injunction now in force, which is a part of the final judgment of the lower court as affirmed and modified by the Supreme Court, de-

prives the plaintiffs in error of their "liberty, privileges, immunities and property without due process of law and denies them the equal protection of the laws of the State" (Error 7), or deprives them of "their liberty to pursue a lawful business and the right to administer their own private property and affairs and to settle their own private business and financial affairs in the manner agreed upon among themselves" (Error 13).

The question of "due process of law" has been discussed by us under the second group of questions. This Court will not disturb the decree of the State Supreme Court in any particular unless the conclusion is reached that citation should have issued to each and every person owning a share of stock in the Debenture Company and that they have not forfeited the right to raise such an issue by voluntarily becoming parties to the suit. The definitive injunction is merely a part of the judgment upon the merits, and will stand or fall with it.

The scope of the injunction should be examined into when considering whether it interferes with the "private" business, property affairs, and the "liberty to pursue a lawful business" of Plaintiffs in Error.

The judgment of the lower court restrains the Debenture Company, its officers and directors and agents from disposing of the assets of the **corporation**, or of carrying on the debenture business **of the corporation**, and perpetually enjoins "said company, its officers, agents, representatives and members" from acting in a corporate capacity. (Transcript, pp. 389-390.)

The judgment is not directed against the disposition of the private property of individuals by individuals, or the carrying on of a private business by an individual. The injunction restrains the Plaintiffs in Error from disposing of corpo-

rate property, and of pursuing a debenture business as a corporation.

The right to carry on business as a corporation does not belong to citizens. It is not a liberty to which they are entitled by virtue of their citizenship. The Constitution of the United States does not guarantee them the right to form themselves into corporations and to carry on business as such. The State of Louisiana has the power to enact a law that hereafter none of its citizens shall enjoy the privilege of pursuing a business as a corporation. Hence we say that the injunction infringes on none of the constitutional rights of Plaintiffs in Error.

Another pertinent inquiry is how far the State Supreme Court modified the injunction when it left the matter of the disposition of the assets of the Debenture Company an open question and remanded the cause to the lower court for further proceedings. This we will discuss under the fourth heading.

IV.

Did the State Supreme Court commit a reviewable error in remanding the case to the trial court to determine whether a Receiver should be appointed by the Court, a Liquidator by the Governor, or the stockholders be permitted to elect their own Liquidators?

It may possibly be a surprise to the Court to learn that the State Supreme Court did not finally determine what should be done with the property and assets of the Debenture Company. So far from depriving the plaintiffs in error of their property or the right to settle the business and administer the corporate assets, which in the assignment they call "their own private" property, affairs and business, the judgment is not final and leaves the entire matter an open question. In

passing upon the applications for a rehearing, the question of liquidation was remanded to the trial court. The fact that the decree of the Supreme Court is not a final one, is important from many points of view. Let us first consider the effect of this modification of the decree upon the question of the injunction. We may presume that the decree does not contemplate that it should remain in force any longer than necessary. Had not this case been carried here by writ of error, the trial court would have had to take up the case and try the issues remanded to it. It would have rendered another judgment and would have decided that the liquidation should be conducted by a Receiver or Liquidator under the control of the Court; or that the parties in interest should be allowed to liquidate their own affairs and, of course, to retain possession of all the corporate assets and to dispose of them in accordance with their contracts unhampered by any judicial supervision. We therefore say that the lower court was reinvested by the Supreme Court with jurisdiction to determine important issues.

The determination of these issues involved not only the disposition of the entire corporate assets, but the modification of the injunction in so far as it prohibits the plaintiffs in error from taking the corporate assets beyond the jurisdiction of the court, and enjoins them from altering or changing their contractual relations with third persons. Were the lower court to decide, for instance, that the plaintiffs in error should be allowed to liquidate the affairs of the Debenture Company, it would necessarily set aside the injunction in so far as it restrains them from disposing of the assets. In fact, the only part of the injunction that would remain in force is that prohibiting them from acting in a corporate capacity.

The plaintiffs in error are not as yet deprived of their property. The decrees of the Supreme Court do not dispose of any property. Certainly the complaint of the plaintiffs in error is previous. They have cried out before they are hurt. It is wrong for them to say that the decree deprives them of the assets of the Debenture Company, when the judgment reserves them the right to prove that the property is theirs and that they should be allowed to dispose of it.

Thus we see that the decrees brought here for review do not embrace the matter complained of in the assignment of errors, paragraphs 13, 15, 16 and 17. The injunction is addressed to the corporation and its agents, and forbids the doing of corporate business; it is not addressed to individuals and does not prohibit any person from carrying on a lawful avocation. The injunction does not deal with the disposition of the assets of the Debenture Company, and so far as it restrains plaintiffs in error from disposing of them it is merely temporary, it is not final, and it can be set aside by the lower court, to which the case has been remanded.

Nowhere in the pleadings will your Honors find that the plaintiffs in error ever contended that the property of the Debenture Company belonged to them as individuals, so that the complaint stated in paragraph 15 loses much of its force. The State Court could not be expected to hold that the assets of the Debenture Company were the individual property of the stockholders, when they failed to set up such a claim, and the Debenture Company, whom they joined as co-defendants, always maintained that its assets were corporate property. It seems to us that the plaintiffs in error should be contented that the State Supreme Court has afforded them an opportunity of raising the issue, and asserting their right to the possession of the assets.

The question of finality of the decrees of the State Supreme Court is important in considering whether the case can be brought to this Court by writ of error in its present condition.

This Court has frequently held that a decree which remands a case to the lower court for further proceedings is not final for the purpose of a writ of error.

In **Union Mutual Life Insurance Company vs. Elizabeth Kirschoff**, 160 U. S. 374, a writ of error was taken to review a decree of the Supreme Court of Illinois, which reversed the decree of the trial court, with directions to this court to enter an order and decree in conformity with the opinion. The writ was dismissed because the decree was not final.

In **Rice vs. Sawyer**, 144 U. S. 197, a similar ruling was made.

In **Lodge vs. Twell**, 135 U. S. 232, Mr. *Chief Justice Fuller* delivered the opinion of the court, and after reviewing previous decisions, laid down the following general principles:

"(1) Where something more than the mere ministerial execution of the decree as rendered is left to be done, the decree is interlocutory and not final even though it settles the equities of the bill."

"(2) A decree to be final for the purposes of an appeal must leave the case in such a condition that if there be an affirmance here, the court below will have nothing to do but to execute the decree it has already entered."

Upon the latter proposition the authorities are uniform, said *Chief Justice Waite* in **Dainese vs. Kendall, 119 U. S. 53**, from which we quote below.

"The litigation of the parties on the merits of the case has not been terminated. An account of the rents collected by Kendall while in possession has not been taken, and the

amounts due Dainese and Kendall respectively on the notes which they severally hold have not been ascertained.

All this is necessary for the purposes of the relief asked for in the bill, and the cause was sent back from the general term for further proceedings on that account The authorities are uniform to the effect that a decree to be final for the purposes of an appeal must leave the case in such a condition that if there be an affirmance here, the Court below will have nothing to do, but to execute the decree it has already entered" (citing):

Bostwick vs. Brinkerhoff, 106 U. S. 3.

Grant vs. Phœnix Ins. Co., 106 U. S. 431.

St. Louis, etc., R. R. Co. vs. Express Co., 108 U. S. 28.

Ex Harte Norton, 108 U. S. 242.

Mower vs. Fletcher, 114 U. S. 127.

Probably the fullest analysis of the adjudicated cases concerning the finality of decrees may be found in

McGourkey vs. Toledo and Ohio Central R. R. Co., 116 U. S. 536, where the Court held that a decree to be final must be determinative of **all matters within the pleadings**.

Let us, then, examine the matters which are embraced within the pleadings in this cause. The prayer of the petition of the State of Louisiana asks for the following relief, and creates the following issues, viz.:

(1) Ouster from corporate franchise.

(2) An injunction prohibiting the further use or exercise of a corporate franchise.

(3) An injunction *pendente lite* to preserve the *status quo* until the entire cause has been disposed of.

(4) A liquidation of the business and affairs of the Debenture Company and a distribution of its assets by a liquidator to be appointed by the Governor of the State, or a re-

ceiver to be appointed by the Court, but in either event to be carried on under the supervision and control of the Court.

We may concede the finality of the decrees rendered as to the first three issues for the purpose of this argument, but how about the fourth? It is far from settled. The Supreme Court remanded the cause on that issue, saying:

"**The illegality of the charter was decreed. The Court considered that as to liquidator or receiver vel non contradictorily with parties in interest the question can be considered in the District Court, to which the judgment is remanded for execution.**

"**The whole question as to the appointment of liquidator or receiver was left at large and to be considered as an original question. Whether the appointment of a liquidator lies with the Governor, or of a receiver with the Court, or the parties in interest, we do not determine. It is left an open question.**"

Transcript, page 430.

It is patent that the decree is not final "as to all matters within the pleadings." Something more than the mere ministerial execution of the decree as rendered is left to be done, for the cause is remanded for the trial of one of the most important issues between the parties, and hence the decree is not final according to the first rule laid down in Lodge vs. Twell (*supra*).

Testing it by the second rule laid down in that case, we come to the same conclusion, because the decree does not leave the case in such a condition that if there be an affirmance here the court below will have nothing to do but to execute the decree it has already entered

FIFTH QUESTION.

Was the debenture business, as carried on by the Debenture Company, the "lawful business" or avocation of plaintiffs in error?

(Assignment of Error 11, 12 and 13.)

We are of the opinion that the judgment of the Louisiana Supreme Court will be considered by this Court final upon the question of the legality of the debenture business, and whether or not the corporation laws of Louisiana permit the incorporation of this scheme or business.

The opinions of the Louisiana Supreme Court in this case, and similar cases, which were decided at the same session, discuss the character of the debenture business with much particularity. That tribunal found that Act No. 36 of 1888, known as the "Limited Liability Act," was not intended as a statutory warrant for the incorporation of any business of the character carried on by this Debenture Company. A business may be legal, and yet there may not be in the laws of the State a statutory warrant for its incorporation, and hence the issue before the Supreme Court was in reality whether the business could be incorporated, and not whether it was intrinsically illegal. However, as Act 36 of 1888 permits the incorporation of "any lawful business or enterprise not inconsistent with the Constitution and laws of the State," the Louisiana Supreme Court necessarily considered the legality of the scheme in order to determine the issue before them.

Our only excuse for presenting the details of the debenture scheme is that numbers 11, 12 and 13 of the Assignment of Errors seem to indicate that the plaintiffs in error consider that this court has jurisdiction to inquire into the legality of the business.

THE DEBENTURE SCHEME OF PLAINTIFFS IN ERROR.

The sole and only business of this Debenture Company was the issuance of instruments which they called debentures, and upon which they borrowed money on the installment plan. The Debenture bond which was issued and sold by the plaintiffs, reads as follows, viz:

"INCORPORATED UNDER THE LAWS OF THE STATE OF LOUISIANA.

Number —. 216 Dollars

THE NEW ORLEANS
DEBENTURE REDEMPTION COMPANY
OF LOUISIANA, Limited.

This Debenture to————upon————written and printed application, dated————189—, and in consideration thereof, and of the payment in advance of TWO DOLLARS, and of the monthly payments of TWO DOLLARS, to be made thereafter, at the office of the Company, in the City of New Orleans, or to any duly authorized local depository on or before the first day of each month in every year, following the date hereof, during the existence of this contract, until SEVENTY-TWO MONTHLY payments shall have been duly paid to the said company.

THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY OF LOUISIANA, Limited,

Does promise to PAY to the said————in SIX YEARS from the date hereof (unless sooner redeemed, in accordance with the terms and conditions endorsed hereon and made part of this contract) the sum of TWO HUNDRED AND SIXTEEN DOLLARS upon the delivery and surrender of this Debenture to this Company.

In Witness Whereof the undersigned officers of said Company have signed and delivered this Debenture at the City of New Orleans, Louisiana, this first day of————, One Thousand Eight Hundred and Ninety—.

———————

President.

———————

Secretary.

CAPITAL STOCK $100,000.

The terms and conditions upon the reverse of the Debentures, which are made a part of the contract, read as follows:

"TERMS AND CONDITIONS.

APPLICATIONS.

Debentures shall be issued only on application made in writing on a printed form prepared by the Company.

PAYMENTS ON INSTALLMENTS.

Payments on Debentures shall be Two Dollars due and payable in advance on the FIRST day of each month by THREE o'clock p. m., a failure to pay said installments on or before the FIFTH day of each month by THREE o'clock p. m. shall forfeit all payments made and make null and void the Debenture on which the installment is due and unpaid.

If the FIFTH falls on Sunday or other legal Holiday, payments must be made the following legal day, before THREE p. m.

NON-FORFEITURES.

Thirty days after such forfeiture, upon the delivery and surrender of the Debenture or Debentures to the Company,

the debenture holder will be entitled to receive a return in cash of fifty per cent. of the monthly installments paid; provided, seven monthly installments have been paid.

DAYS OF REDEMPTION.

The Days of Redemption are the Tenth of every month. If the Tenth falls on Sunday or other legal Holiday, the redemption shall be on the following legal day. Debentures are numbered and redeemed in numerical order.

TERMS OF REDEMPTION.

Debentures will be redeemed from month to month in regular numerical order, after seven monthly payments.

NON-TRANSFERABLE.

In consideration of the New Orleans Debenture Redemption Company of Louisiana, Limited, issuing this Debenture, it is mutually agreed that same shall be Non-transferable before maturity."

An examination of this instrument, together with the application signed by the party proposing to buy it, and the terms and conditions on the reverse thereof and of the charter of the company, will show that the Debenture Company promises to pay the sum of $216.00 at the end of six years, upon the payment to it of $144.00 in monthly payments of Two Dollars per month, during a period of six years, or seventy-two months. If the holder of the debenture, however, should fail to make any of his monthly payments to the company before the expiration of seven months, he forfeits all he has paid in and all rights under the debenture. If he fails to make a payment after his bond has become seven months old, he forfeits all he has paid, but he may surrender

his debenture and get one-half of all the money he has paid nto the treasury of the company.

The money received from debenture holders monthly is, in accordance with the scheme, divided into three funds: 65 per cent. of the entire amount paid into the company upon its obligations, is put into the redemption fund; 25 per cent. is put into the reserve fund, and 10 per cent. of the entire amount is put into the expense fund.

The redemption fund is used for the purpose of redeeming debentures before their maturity. After the company has been in operation for seven months, under its plan, it commences the redemption of debentures. A bondholder who has paid in seven monthly payments, amounting to $14.00, is entitled to receive from the company the sum of $21.00, if it is redeemed at that age. The company redeems its bonds in numerical order, commencing with the first one issued and proceeding in accordance with the numbers borne by the bonds. Therefore, if the company redeems a bond in seven months it will have received from the holder of the bond $14.00 in monthly installments, paid in during seven months, and thus have had in its possession the money of the bondholder for an average period of three and one-half months. For the use of this money for that period it pays the holder of the bond 50 per cent. profit. This, by actual calculation, amounts to a profit of 171 per cent. simple interest per annum. The scheme, therefore, amounts to this: The company binds itself to pay the bond at the end of six years, if not sooner redeemed. If the bond is not redeemed prior to its fixed maturity, the investor receives 50 per cent. profit for the use of his money for an average period of three years, for he does not pay it in the office of the company at one time, but in monthly payments. Therefore, the company will pay to the holder of the matured bond a profit which by

actual calculation amounts to at least 13 per cent. compound interest per annum.

This is the scheme which the learned counsel for defendants tell us is legal and practicable. This is the scheme which they tell us will not bring disaster to all those who place their trust in it; the scheme which, forsooth, proposes to pay to investors a maximum interest of 171 per cent. per annum and a minimum interest of 13 per cent. compound interest per annum.

On its face it is chimerical. No company can afford to borrow money and pay such rates of interest; no lawful enterprise can borrow money on such terms, and the very fact that these companies do pretend to have the ability to pay such interest, stamps them, in our opinion, as illegal corporations, full of danger to the commonwealth.

The reserve fund of 25 per cent., we are told, is to be invested and re-invested, and is a guaranty that such bonds as may arrive at maturity will be paid. Although in the circulars issued the defendants propose to earn large amounts of compound interest, as a matter of fact the evidence shows that very little interest was earned by any of the companies. The New Orleans Debenture Company, instead of increasing its reserve by earning interest, after an existence of over four years, has actually diminished the reserve. The amount realized from setting aside 25 per cent. from installments paid in by debenture holders was a little over $200,000.00, yet the reserve fund at the present time amounts to only $199,000.00 in round numbers.

Ten per cent. of the entire amount is set aside for the expense fund. Under the terms of the charters this fund is the exclusive property of the shareholders. Whether the business be profitable or not for the debenture holders, the shareholders, under the terms of the charter, are entitled to

this ten per cent. After paying the expenses of operation out of this fund the balance is divided among the shareholders as dividends. The expense of operation, however, does not include the commission of agents for selling debentures. The first payment of Two Dollars made upon a debenture is given to the agent as his commission. All the charters provide that agents' commissions shall be paid out of the Reserve Fund.

Let us now examine the result of the operations of the New Orleans Debenture Company. This company had been in existence for a period of fifty-three months at the date of trial.

This company issued 27,908 debentures and received from the holders of these debentures the sum of $843,642. Of this sum $55,816 was paid to solicitors as their commissions; 9332 debentures were redeemed by paying the holders 50 per cent. profit on the amount received by the company from them, and the sum of $491,778 was used in these redemptions; 1759 debenture holders were not able to keep up their payments after their bonds were seven months old, and received from the company 50 per cent. of the amount paid in by them, and the sum of $22,103.89 was used in paying these debenture holders the "surrender" value of these debenture bonds. Salaries and other expenses amounted to $64,382.79. The total expenditures of this company amounted to $606,227.93. The Reserve Fund at the present time amounts to $199,268.94. The outstanding valid bonds of this company at the present date number 10,582, and their holders have paid to the company the sum of $439,584, or more than twice the amount now standing in the reserve fund as a guarantee of the payment of these bonds.

Strange to say, the company has no means of investing this money in any better method or in any better securities than

those generally dealt in by corporations that have a surplus. The reserve fund is used by the company for two purposes: First, to make loans to debenture holders, and, second, to buy and deal in stocks and bonds on the open market. The New Orleans Debenture Company has $62,343.59 invested in stocks and bonds, and has made loans upon debentures amounting to $82,662.23. It has loaned the stockholders money upon their individual notes, secured by the company's stock, and these loans now amount to $25,655.38.

The result of the operations of this company for a period of fifty-three months has been a loss of $209,033.84, as will be seen by the following loss and gain account, which is conceded by the Secretary of the company to be correct:

EXHIBIT "A."

LOSS AND GAIN ACCOUNT JANUARY 20, 1899.

Losses—			
Agents' commission on 7912 debentures @ $2.00		$15,824 00	
Agents' commission on 19,996 debentures @ $2.00		39,992 00	
Fifty per cent. profit to 9332 debenture holders		163,926 00	
Salaries, general expenses, etc., from expense fund		64,383 79	
Royalty to Dr. Waiss		3,957 80	
Dividends to stockholders as follows:			
5 per cent. April 1, 1897	$2,500 00		
10 per cent. October 1, 1897	5,000 00		
5 per cent. January 1, 1898	2,500 00		
5 per cent. April 1, 1898	2,500 00		
5 per cent. July 1, 1898	2,500 00		
5 per cent. October 1, 1898	2,500 00		
5 per cent January 1, 1899	2,500 00		
		$20,000 00	
			$308,083 59
Gains—			
From Fines		$2,083 00	
From Interest, Reserve Fund	$20,957 09		
Less Renewal Interest	4,004 45	16,952 64	
From 1759 surrendered debentures		22,103 89	
From 6235 lapsed and suspended debentures		13,188 22	
Initiation fee on 19,996 debentures at $2.00		39,992 00	
From Capital Investment Ac		4,730 00	
Total gains			99,049 75
Net loss			$209,033 84
Assets to date		$259,386 16	
Amount received from 10,582 debenture holders, who paid	$439,584 00		
Less initiation fee	21,164 00		
Net amount Company received from these debentures in force	$418,420 00		
Capital paid in	50,000 00		
		468,420 00	
Deficit		$209,033 84	

The bonds outstanding are, of course, of different ages. The oldest bond was, at the time of the trial of this case, twenty-eight months old. The holders of 1759 debentures were unable to continue their payments and lost, on account of their inability to keep up their payments, the sum of $22,103.89. The holders of 6235 debentures allowed same to lapse and received nothing from the company. These, in brief, are some of the facts shown by the voluminous transcript of the case of the State vs. the New Orleans Debenture Redemption Company. The entire facts and figures have been carefully tabulated by August M. Benedic, expert accountant, and the Court will find the tabulation as an addendum to this brief. We deem it proper to state that these calculations and tabulations were made by Mr. Benedic, as an expert, before his appointment as liquidator, and before he had any idea of being appointed.

In discussing the question as to whether this business could be incorporated under the laws of Louisiana we presented the following argument in our brief filed with the State Supreme Court:

By what warrant of law do the plaintiffs in error pretend to be a corporation? Their answer is that they are a legal, valid corporation and are entitled to exercise franchises as such, under and by virtue of Act No. 36 of 1888, known as the Limited Liability Act. They point to this act as their statutory warrant. Let us then examine the provisions of this act. Its title reads as follows:

"An act to provide for the formation of corporations for certain purposes, limiting the capital of the same, and the liability of the stockholders thereof."

We ask the Court to particularly notice that corporations are to be formed, under this act, for certain purposes and that

the capital of the same is to be limited. Section 1 of the act reads as follows:

"That it shall be lawful for any number of persons, not less than three, upon complying with the provisions of the laws of this State governing corporations in general, to form themselves into and constitute a corporation for the purpose of carrying on any lawful business or enterprise, not otherwise specially provided for, and not inconsistent with the constitution and laws of this State; provided that no such corporation shall engage in stock jobbing business of any kind; the corporations herein provided for to have a capital stock of not less than five thousand dollars."

It is manifestly the object of this law that no corporation shall be organized for any business or enterprise that is not lawful. And furthermore that the business must not be inconsistent with the Constitution and laws of this State.

Even were the statutes silent upon this question, the courts would have the power to pass upon the legality of any business which its promoters might attempt to pursue under the color of a corporate franchise.

The Am. & Eng. Ency. of Law, Vol. 7, page 648, lays down the following doctrine:

"Incorporation will not be granted under the general laws for a purpose which is regarded by the courts as being against public policy." See **Mutual Aid Assn., 15 Philadelphia, 626.** *In Re* **Helping Hand Marriage Assn., 16 Philadelphia, 644.**

The corporation laws of this State contained in the Revised Statutes (Sec. 683), provide that corporations may be formed for certain specified objects and "generally all works of public utility and advantage."

It is therefore clear that the objects and purposes of a valid and legal corporation must be consistent with the laws of the State, and not contrary to public utility and advantage.

Corporations organized in restraint of trade have been compelled to forfeit their charters because their objects were contrary to public policy.

In other words, the general statutes of this State were enacted for incorporations of business and enterprises that will be beneficial to the body politic, and the courts have the power to decide whether or not any particular corporation is organized for a purpose inconsistent with public policy and prejudicial to the interests of its citizens.

The courts of Louisiana have the power to forfeit the charter of any corporation whose objects and purposes are not of "public utility and advantage," and hence, inconsistent with the laws and Constitution of this State.

What then is the business of the Debenture Company?

Their only business is the making of debenture contracts; the business of borrowing money by issuing debentures.

The nature of a debenture has already been set forth. It does not come within the meaning of a debenture as described in the Am. & Eng. Ency. of Law (Second Ed., Vol. 7, 962.) A debenture, as the term is understood in England, and generally in the common law States, is an instrument acknowledging a debt, and promising to pay the same at a specified time, generally secured by a common law pledge or chattel mortgage or an equitable lien upon the personal property of the company issuing it. It is true that sometimes the debenture is not secured in this way, but in all cases it is an acknowledgment of the debt due by the company and a promise to pay the same at some future date, which is fixed and determined. It differs radically from the contract which the plaintiffs denominate a debenture, or debenture bond. It

has no clause of forfeiture therein and a consideration for the bond is paid in advance. It guarantees the holder no illegal rate of interest and, in fact, is nothing more nor less than a promissory note of the company.

The debenture bond issued by the plaintiffs purports to be a contract by which the debenture holder binds himself to pay two dollars a month for seventy-two consecutive months and agrees to forfeit his money in whole or in part, if, for any reason, he fails to make any monthly payment. The debenture company binds itself to pay the debenture holder fifty per cent. profit on whatever he pays to the company, but reserves the right to put an end to the contract whenever it chooses. The making of these contracts by which the company borrows money, constitutes its "business," unless it be contended that the investment of the reserve fund, amounting to twenty-five per cent. of the sum paid in, is a "business."

Is this contract favored by the law? Is it a legal contract? Is the "business" of making these contracts a legal business? These are the questions that confront the Court and are the main questions in the case.

A contract is illegal when it is without a cause, or when it has an unlawful cause. (C. C. 1893.)

A cause is unlawful when it is forbidden by law, or when it is *contra bonos mores*. (C. C. 1895.)

By the *cause* of a contract is meant the consideration or motive for making it. (C. C. 1896.)

What is the cause or motive for making debenture bonds? On the part of the company it is, undoubtedly, the hope of making a profit by forfeiting the rights of the debenture holders, owing to their inability to keep up their contracts. If this is not the motive or the cause actuating the promoters of the company in making the contracts, what is the motive?

Is it the desire to obtain money for investment? This can scarcely be, for the company, immediately upon receiving the money, distributes 65 per cent. of it to its debenture holders.

Only 25 per cent. of the money received from the debenture holders is kept for investment, and the motive for making the contracts can not possibly be considered to be the acquisition of a fund equal to only 25 per cent. of the obligations assumed by the company in acquiring it. Therefore, we repeat that the motive or cause, so far as the company is concerned, for making the contract is the hope of making gain by forfeiting the rights of the debenture holders. A contract having forfeiture for its sole purpose is undoubtedly an illegal contract. It is true that a forfeiture clause is contained in a great variety of contracts (and counsel for defendants tells us that it is a stipulation of every life insurance contract); but there is a great distinction and difference between contracts which have a forfeiture feature in them as their only motive and object and contracts which have a forfeiture clause for the purpose of compelling the carrying out of a contract. Where a contract has a legal object or motive and the clause of forfeiture is merely an ancillary provision, the courts will recognize the rights of the parties to stipulate a penalty and pronounce the contract legal. Where, however, the forfeiture clause is not an ancillary clause, but the main object and purpose of the contract, we can not believe that the courts will pronounce the contract a legal and binding one.

If two persons were to contract with each other and bind themselves to deposit, on the first of every month, one hundred dollars in a bank, and should either of them fail to appear upon the day stipulated and make his deposit, the other should receive the entire fund, the contract would be an illegal one. The motive and object for making it, on

each side, would be the hope that the other party would not appear and thus forfeit his rights. The motive would not be legal, and the contract would partake of the nature of a wager between the parties to it. Forfeiture would not be an ancillary stipulation to the contract, but would be its main feature, its controlling object.

In what way would such a contract differ from the debenture contract? Not very much, because, so far as the debenture company is concerned, their motive is forfeiture.

The second ground of illegality of a debenture contract is that it stipulates to pay the debenture holder an illegal interest for the use of his money. The company obligates itself to pay the debenture holder 50 per cent. profit upon the money he has paid in to the company in a period of not less than seven months and not more than seventy-two months. If the company redeems its bond when it is seven months old, the holder thereof will have paid fourteen dollars to the company and he will receive the sum of twenty-one dollars. The company will have had the use of the money for an average of about three and a half months. It, therefore, pays 171 per cent. simple interest. If the debenture bond runs until it becomes six years old, the holder thereof will have paid to the company $144.00 in monthly installments of two dollars each and will receive from the company $216.00. The company will have had the use of the money for an average of thirty-six months and, therefore, in redeeming the bonds it pays a profit equal to 13 per cent. compound interest per annum upon the money borrowed. The holder of the debenture bond merely lends his money to the company. He is conceded to be a creditor. He receives profits—the civil fruits of money, which is interest.

The law of Louisiana stipulates that the highest interest that can be stipulated in a contract is eight per cent., and we maintain that a contract, which stipulates a profit in the nature of interest which is greater than eight per cent., is an illegal contract. A corporation can not be organized under the general laws of the State for the express purpose of issuing illegal contracts.

The third ground of the illegality of the debenture contract is that its duration is, in a great measure, within the control of the debenture company. It is a contract at the will of one party. The debenture company has control of the redemption of bonds. On a particular day, it may or may not elect to use the entire redemption fund for the purpose of redeeming bonds. It may decide to use only one-half of the redemption fund for the purpose of redeeming bonds on a particular date and reserve the balance for future redemptions. In other words, the Board of Directors of the debenture company have some discretion in the matter; the debenture holder has no discretion, or control, or voice. He must continue his payments until the company redeems his bonds, as, otherwise, he forfeits the money paid in by him. Such is the nature of the debenture contract, and the State maintains that the making of such contracts does not constitute a business consistent with the laws and constitution of this State.

The learned counsel for plaintiffs in error cited the case of the Union Investment Co. vs. Lutz et als., decided by one of the judges of the Appellate Court for the First District of Illinois. Your attention is called to the fact that the decision was not rendered by a court of last resort.

The court holds that the scheme "applies the principle of joint tenancy to the investments by the subscribers, the survivorship depending upon default instead of death." If this be true then the scheme is inconsistent with the laws of

Louisiana, however consistent it may be with the common law. The law of Louisiana does not recognize the principle of joint tenancy; it is repugnant to the civil law, it is inconsistent with it. In order that the court may appreciate the weakness of the opinion in the case of the Union Investment Assn. vs. Lutz, we ask that your Honors read it in full. **(50 Newell, 176).**

The cases of State vs. Corkins and State vs. Talbert, 27 S. W. Rep. 363 *et seq.*, are also cited by the defendants. The case of State vs. Corkins is clearly inapplicable, as the question as to whether or not the business was unlawful was not raised in the information.

"As will be seen," says the court, "there is no charge in the information that respondents or the corporation they claim to manage is doing an unlawful business, and for the purposes of the question as presented by the demurrer we must assume that they are doing a business authorized by law."

In State vs. Talbert the court says: "The information contains the same charges as are made against the respondent in the case of State vs. Corkins." We, therefore, conclude that the legality of the business was not put at issue by the information filed by the Attorney General.

Furthermore, there was an act passed by the Legislature of the State of Missouri, recognizing the legality of bond investment companies, and, therefore, the entire question was whether the defendant company came within the purview of that statute.

The court did say that there is nothing illegal in the issuance of bonds nor selling the same upon installments IN A LAWFUL MANNER. The entire case was decided upon demurrer and there was no evidence taken as to the character of business conducted by the company.

In support of our position that the business of defendant companies is deceptive and fraudulent, we cite: **McLaughlin vs. National Mutual Bond & Investment Co., 64 Fed. Rep., 908. In Re National Indemnity and Endowment Co., 21 Atlantic, 872; (142 Pa. 450); United States vs. McDonald, 59 Fed. Rep. 563.**

In the first of these cases the Court says:

"Its inherent vice is substantially the same as was pointed out with respect to a similar concern in the case of the National Endowment Co., 142 Pa. St. 450; 21 Atl. 879, and of which the Supreme Court of Pennsylvania said:

"It manifestly belongs to that class of associations by far too numerous, the practical effect of whose operations is to enrich a few at the expense of confiding and ignorant people. Such corporations are 'unlawful and injurious to the community.'

"It is evident that the attractiveness of the present project is due to the opportunity which it affords for acquiring money by chance, and not as the reward of industry, frugality or sagacity. The interesting question to those who participate in it is one of fate, and nothing else. It is this: Which of them shall be forced to forfeit, and so 'fall in fortune's strife;' and which of them, surviving that catastrophe, will have obtained redemption of their bonds before the final and inevitable collapse occurs? Upon these contingencies the monthly and quarterly payments are put in jeopardy, and according to the issue of the game, the company, the holder of these stakes, distributes them among the winners. All such schemes are inhibited. They are deceptive and fraudulent, and in their nature simply gambling. **In re National Endowment Co., supra; Brua's Appeal, 55 Pa. St. 294; U. S. vs. McDonald, 59 Fed., 563; Hornor vs. U. S., 147 U. S. 449; 13 Sup. Ct. 409.**"

The Supreme Court of the State of Pennsylvania, **In re National Indemnity & Investment Co.**, rendered the following opinion:

"*Per Curiam.* On Deeember 15, 1890, the court below approved the charter of the appellant company, and decreed that, upon its being properly recorded, the subscribers thereto should be a corporation, etc. Subsequently the Court became convinced that the charter had been improvidently approved, and of its own motion directed a rule to be entered upon appellant to show cause why it should not be revoked. The matter wss then referred to an auditor who reported, *inter alia*, 'that the purposes and objects of the National Indemnity & Endowment Company do not come within the first class of corporations, according to the provisions of the act of assembly of April 29, 1874, nor any of its supplements;' and that the learned judge 'who granted the certificate erred in certifying the purposes of said corporation were lawful, and not injurious to the community.' The Court thereupon vacated its order of approval, and this appeal was taken by the company from said order. The appellant company claims to be a beneficial association, within the meaning of the ninth paragraph of Section 2 of the Act of 1874. Without going into detail, the auditor and the court bolow have sufficiently demonstrated that the only persons likely to be benefited by the scheme set forth in the charter are the officers themselves. It manifestly belongs to that class of associations, by far too numerous, the practical effect of whose operations is to enrich a few at the expense of confiding and ignorant people. Such corporations are 'unlawful and injurious to the community,' and in this age of deception and fraud too much care can not be exercised in scrutinizing the provisions of charters with sounding names and alluring schemes to benefit the public. We are in no doubt of the power of the Court to

revoke this alleged charter. It never was a charter. It was not authorized by any act of assembly, and is absolutely void. Had it been authorized by the Act of 1874, it could only be reached by a *quo warranto*. But a void charter confers no rights, and the court below was justified in revoking the order which gave it an apparent validity."

Judge Grosscup, of the United States District Court for the Northern District of Illinois, used the following language in connection with the scheme that came under his judicial observation in the case of United States vs. McDonald.

"Now, does this constitute a lottery? There is no doubt, gentlemen, upon the face of it, that it constitutes a cheat. The testimony shows that this company has been in existence now for two years, and has had 50,023 applications. According to the constitution of its organization, it has, therefore, received more than half a million dollars from the $10 preliminary fee. The testimony shows that it has paid out out $206,000 from so-called trust fund. If it had paid out all it received, as the constitution of the company required it to do, then it has received, as maintenance from the dues, more than $40,000. Therefore, after an experience of two years, the officers and stockholders have received more than $500,000, and its so-called beneficiaries have received but $206,000. That is plunder of the public. It is said that this has been done fairly. The Court, of course, is not sitting here to pass upon the fairness of any such transaction. Two hundred years ago, when coaches were robbed by highwaymen on the heaths of London, it was always said that the highwaymen acted with courtesy, but nobody but an ignorant fool returned to London without knowing he had been plundered. But that does not prove that it is a lottery. It may be a cheat, but we must ascertain by the legal canons and definitions whether it is a lottery."

The evidence adduced showing the present financial condition of the Debenture Company is, however, the strongest argument against the legality of the scheme, and a consideration of this evidence will convince the Court that the scheme is **deceptive and fraudulent.**

The New Orleans Debenture Redemption Company has lost by operation of this magnificent scheme the sum of $209,033.84. It has paid out to the holders of redeemed debentures, as a profit to them, the sum of $164,000 in round numbers. During the same period it earned but $22,000 by forfeiting the rights of debenture holders whose bonds were more than seven months old, and but $3,000 by forfeiting the rights of those debenture holders whose bonds had not attained that age, and but about $16,000 in interest. The secretary of this company admits that the scheme has made a loss. Whose loss has it been? The stockholders have made a profit of 40 per cent. by declarations of dividends on the $50,000 subscribed, or 200 per cent. on the amount actually paid in! Those debenture holders whose bonds were drawn have made a profit of $164,000. Out of whose pockets does this profit come if the company has not earned a profit? Manifestly out of the pockets of those debenture holders whose bonds have not been redeemed.

We are told, however, that if a company keeps on running in the same manner and does the same business it has done in the past, that at the end of thirty years it will be financially strong. The contention of the State is that if the New Orleans Debenture Redemption Company should continue for several years longer it would bring financial ruin to all persons that may hold unredeemed debentures.

The company was at date of trial 53 months old, and the age of its oldest debenture was twenty-eight months. When the company was seven months old, its oldest unre-

deemed debenture was seven months old. Therefore, in spite of the redemption of the lowest numbers, the age of the outstanding debentures has steadily increased. The ratio of the age of the company to that of the outstanding debentures at the time of the trial, was as 53: 28. Subtract the constant 7 from each side of the ratio and we would have a true ratio, namely, 46: 21. Therefore, the problem to be solved is a very simple one. If the business of the New Orleans Company continues in the future to be exactly as it has been in the past, when will the age of the oldest outstanding debenture become 72 months old? 46: 21 :: X: 72. This gives us, as the answer to the problem, 158 months, or a little over 13 years.

We conclude, therefore, that even though the business of the New Orleans increased in the same arithmetical proportion as it increased in the past, the company will be compelled to resort to its reserve fund in order to meet matured debentures when it has arrived at the age of thirteen years.

The secretary of the company testifies that he has calculated that the company would reach the age of thirty years before it would be necessary to touch the reserve fund. He bases these calculations upon two assumptions, to wit: that the company will earn 6 per cent. compound interest upon its reserve fund, and, second, that the lapses or forfeitures will amount to 2 per cent. per month or about 18 per cent. a year. As the company has made no such interest in the past, there is no ground for the first assumption.

The absurdity of the last assumption, when viewed in the light of the past experience of the New Orleans Debenture Company, is great. During its existence the New Orleans Company has collected over $800,000; the total amount of all bonds which have been forfeited is, in round numbers, $65,000.

Therefore, during 53 months the entire forfeitures have not amounted to 10 per cent. These are facts shown by the record and yet the secretary, whom we are told is an actuary, in calculating the feasibility of the scheme, assumes that the lapses will amount to 18 per cent. per annum. His calculations, of course, are worthless from a mathematical standpoint. It is suprising that, as a mathematician, he should have attempted to demonstrate the feasibility of the scheme without determining the exact lapse ratio.

We might call the Court's attention to the further fact that the lapse ratio is a variable one. When the bond is but a few months old it is more liable to lapse than when it is of a greater age. When the bond arrives at the age of four years the holder thereof can borrow enough money from the company to keep it in force until its maturity. We would, therefore, expect to find that no bond of the age of four years would be lapsed or forfeited, and yet the secretary of the company has based his calculation upon a lapse ratio of 18 per cent. upon all bonds indiscriminately.

The evidence demonstrates that the scheme is not feasible, that it is bound to fail, and, therefore, that it is deceptive in its character. A scheme deceptive in its character can not be operated by a corporation organized under Act 36 of 1888—that act was never intended as a statutory warrant for such "an enterprise."

Viewing the business from the standpoint of the twenty-three stockholders, the other plaintiffs in error here, we find that they are claiming that the Debenture business carried on by the New Orleans Debenture Redemption Company of Louisiana is their own private business and their own private avocation. We say that no matter what the intrinsic character of the Deben-

ture business may be, this business was obtained and carried on under pretenses which were misleading and representations such as have been denounced as fraudulent by this tribunal. The liberty to pursue a lawful avocation as set forth in the assignments of error No. 13 can not possibly refer to the right of a corporation to a franchise to do a particular business, for the obvious reason that a franchise is not a liberty belonging to individuals. We must, therefore, infer that the individual stockholders appearing as plaintiffs in error, believe that if it be held that the Debenture Company is not a corporation or that its charter must be forfeited for misuser, they have a right to continue the business as their private lawful avocation. Considered as a private business, it is unlawful because it was obtained and carried on under the pretense that the company was incorporated under the laws of the State of Louisiana. Under this pretense the Debenture holders were induced to do business with the plaintiffs in error and if this pretense be false, then the business can in no way be considered the lawful individual business of the stockholders. But not only did tne plaintiffs in error pretend that they were a corportion in law, but they represented to the public in numerous circulars issued, and in all the statements made, that their capital stock of $50,000 was fully paid up. In the statement of facts we have shown the method that the Debenture Company and its stockholders pursued in giving color to this representation.

On the same day that most of the stockholders gave checks for the amount of their assumption the company gave its check to them on a "loan."

A similar transaction was passed upon by this Court in the case of Sawyer vs. Hoag, Assignee, 17 Wall. 610, where the following language was used:

"We do not believe we characterize it too strongly when we say that it was a fraud upon the public who were expected to deal with them.

"The result of it was that the capital stock of the company was neither paid up in actual money, nor did it exist in the form of installments properly secured."

Therefore, we repeat that the debenture holders were induced to loan money to this Company under pretenses which were deceptive, and the business can not be considered in any sense of the word the private, lawful business of its stockholders as individuals.

The only argument adduced in the brief of plaintiffs in error in support of the legality of this scheme is that Act No. 171 of 1898, of the General Assembly, imposes a license tax on the business carried on by a debenture redemption company or loan and investment company. The plaintiffs do not claim that they paid a license under the provisions of said act, but profess to believe, nevertheless, that the mere mention of debenture redemption companies therein legalizes their particular and peculiar scheme. It could be claimed with equal force that the license act legalizes the business and schemes of such loan and investment companies, which promise their investors 5 per cent. per month interest, and were called by the newspapers "Get-rich-quick" companies. If such is the effect of the act, the promoters of such loan and investment companies, some of whom recently came to grief in New York City, should hie themselves to Louisiana, where they would enjoy immunity from arrest.

But the statute furnishes no rule by which the legality of any business can be ascertained, nor is the tax-collector invested with power to determine whether the business of a corporation which offers to pay a license tax is lawful and its charter valid.

Such questions must be decided by the judicial department of the government and each case must be judged upon the evidence adduced. We may admit that all loan and investment companies do not carry on illegal businesses, and all debenture companies are not based upon the same vicious principle; but this would be far from admitting that the business carried on by the New Orleans Debenture Redemption Company, Limited, was not deceptive and fraudulent. Those companies which are legal and authorized to do business in the State of Louisiana should pay the license tax; those companies which are illegal, should be suppressed.

The Supreme Court of Louisiana has decided that the plaintiff company belongs to the latter class.

A motion to dismiss has been filed by the defendant in error through undersigned counsel which will be found as an appendix to this brief. The grounds upon which the motion is based have been already covered. We believe this Court is without jurisdiction of this cause and the motion should be allowed.

Should your Honors differ with us, we respectfully ask that the decree of the Supreme Court of the State of Louisiana be affirmed.

Respectfully submitted,

WALTER GUION,

Attorney General.

MILTON J. CUNNINGHAM,

FRANK E. RAINOLD,

Of Counsel for the State of Louisiana, Defendant in Error.

APPENDIX.

(17,505.)

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1900.

No. 129.

THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY OF LOUISIANA, LIMITED, ET AL., PLAINTIFFS IN ERROR,

versus

THE STATE OF LOUISIANA.

In Error to the Supreme Court of the State of Louisiana.

And now comes the State of Louisiana, defendant in error, herein, by Walter Guion, Attorney General for the State of Louisiana, and by Milton J. Cunningham and Frank E. Rainold, who appear as counsel in her behalf, and moves the Court to dismiss the writ of error in the above cause for want of jurisdiction, because the judgment or decree from which the said writ of error purports to have been taken is the judgment or decree of the Supreme Court of one of the United States, to-wit: Supreme Court of the State of Louisiana.

2. Because said judgment remanded said cause for further proceedings in the lower court, and the judgment was and is therefore not a final one.

After the Supreme Court had rendered judgment in this cause, applications for a rehearing were made by all parties. The Court, in passing on these applications, amended the judgment so as to remand the cause to the lower court for the purpose of determining whether the liquidation of the corporation should be through a receiver to be appointed by the Court, through a liquidator to be appointed by the Governor of the State, or whether the defendants themselves should have the right to liquidate its own affairs. The cause has, therefore, not been determined by a final judgment.

3. Because by said judgment no decision was made upon a federal question which had been raised by the plaintiffs in error. The plaintiffs in error claim that there was not due process of law inasmuch as the citation was addressed to the New Orleans Debenture Redemption Company of Louisiana, Limited, through its proper officers, and took the position, that citation should have been addressed to each and every owner of a share of stock in the corporation.

This is a suit to oust the corporation from the exercise of its franchise, and the manner and form of citation, in such a case, is provided by statute of the State of Louisiana. This statute provides that citation should be addressed to the defendant, as in ordinary cases, and that service should be made as in ordinary cases. The Supreme Court held that citation had issued properly and had been served in accordance with the terms of the statute as well as with the provisions of the charter of plaintiffs in error. Nowhere in the pleadings was the constitutionality of this statute raised by the plaintiffs in error, and hence there is no federal ques-

tion involved in this cause. There has been no taking of property without due process of law, because the judgment of the Supreme Court is not final as to the disposition of the assets of plaintiffs in error. The whole question was remanded to the lower court and left an open one as to whether the parties in interest should be allowed to liquidate their own affairs, or whether the assets should be distributed under the supervision of the court. Until the lower court shall have appointed a receiver, or confirmed a liquidator, there can be no taking of property either with or without due process of law. The issuance of an injunction, which restrained the corporation, its officers, agents and employees from disposing of the property during the continuance of the suit, and from carrying on business as a corporation until its right so to do had been determined by final judgment, does not involve a federal question.

4. Because the judgment rendered by the Supreme Court was given on grounds which Section 709 of the Revised Statutes of the United States does not make cause for error. In its opinion, the State Supreme Court not only decided that the citation issued in accordance with the terms of the Statute of the State, but likewise found the following facts:

That all the persons connected with the Association as stockholders had appointed the President as the proper person upon whom citation might be served in any suit that might be brought against them.

By this convention they likewise agreed that they could be sued in the name of the New Orleans Debenture Redemption Company of Louisiana, Limited; hence the parties were bound by their agreement, and since citation had issued to them in the manner and form as they agreed it should issue, and was served upon the officers designated by them, they had no ground for complaint. As the decision of the State

Supreme Court could stand upon these grounds alone this case furnishes no cause for error.

Wherefore mover prays that this motion to dismiss be granted and the writ of error dismissed for want of jurisdiction; but should said motion be not allowed for the reasons set forth, that the judgment of the Supreme Court of Louisiana be finally affirmed with costs, and mover prays for such other and necessary relief which the nature of the case may require.

ABSTRACT, SHOWING CONDITION OF THE NEW ORLEANS DEBENTURE REDEMPTION COMPANY OF LOUISIANA. LIMITED.

ASSETS AND LIABILITIES JANUARY 20, 1899.

ASSETS—			
5,000 U. S. 4's at 112⅞	$5,643 75		
12,000 City Premium Bonds at 216-91	26,027 40		
2,500 St. Charles R. R. Stock at 53½	2,675 00		
4,500 Orleans R. R. Gold Bonds, 107-11	4,830 00		
10,000 City and Lake R. R. Bonds, 107-30	10,730 00		
2,000 Lafourche Levee Bonds, 110	2,200 00		
1,000 M. L. & T. R. R. Bonds, 124	1,240 00		
4,200 Germania National Bank Bonds, at 90	3,780 00		
5,000 Drainage Bonds, at 103	5,150 00		
Brokerage Balance	67 44—		$62,343 59
Loans Secured by Securities	4,175 00		
Loans Secured by Commercial Paper	2,027 94		
Loans Secured by Company's Stock	25,655 38		
Loans Secured by Mortgage Paper	16,347 00—		48,205 32
Loans Secured by Debentures			82,662 23
Office Fixtures			999 47
Cash in Banks			36,724 04
Suspense Account—			
Royalty Bought from Dr. W. Estate	6,470 00		
A. Himel, Advanced as Guarantee	962 80		
A. Himel, Advanced as Traveling Expense	1,471 65		
Other Traveling Men, Traveling Expense	3,289 49		
E. L. Garland, Expense Incurred to Foreclose Mortgage	368 27		
L. P. Bryant, Expense Account Negotiating Loan	1,150 00		
H. L. Garland, Mortgage Loan $800 00			
H. L. Garland, 2 years' Interest 160 00—	960 00		
Deposit American National Bank, about	8,000 00		
Two Judgments	2,500 00		
Open Accounts, 3	150 70		
State Treasurer of Texas	1,080 20		
Other Items not Stated in Testimony	3,485 65—		$29,888 76
Total Assets			$260,823 41
LIABILITIES.			
Advance Payments from Debenture Holders	1,056 00		
Open Accounts	381 25—		$1,437 25
Net Assets			$259,386 16

EXHIBIT A.

LOSS AND GAIN ACCOUNT, JANUARY 20, 1899.

LOSSES—			
Agents' Commiss on on 7,912 Debentures, at $2		$ 15,824 00	
Agents' Commission on 19,996 Debentures, at $2		39,992 00	
50 per cent. profit to 9,332 Debenture Holders		163,926 00	
Salaries, General Expense, etc., from Exp. Fund		64,383 79	
Royalty to Dr. Waiss		3,957 80	
Dividends to stockolders as follows:			
5 per cent., April 1, 1897	$2,500 00		
10 per cent., October 1, 1897	5,000 00		
5 per cent., January 1, 1898	2,500 00		
5 per cent., April 1, 1898	2,500 00		
5 per cent., July 1, 1898	2 500 00		
5 per cent., January 1, 1899	2 500 00—	$20,000 00—	$308,083 59
GAINS—			
From Fines		$2,083 00	
From Interest, Reserve Fund	$20,957 09		
Less Renewal Interest	4,004 45—	16,952 64	
From 1759 Surrendered Debentures		22,103 89	
From 6235 Lapsed and Suspended Debentures		13,188 22	
Initiation Fee on 19,996 Debentures, at $2		39,992 00	
From Capital Investment Account		4,730 00	
Total Gains			$99,049 74
Net Loss			$209,038 84
Assets to date		$259,386 16	
Amount Received from 10,582 Debenture Holders, who paid	$439,584 00		
Less Initiation Fee	21,164 00		
Net amount Company received from these Debentures in force	$418,420 00		
Capital paid in	50,000 00—	$468,420 00	
Deficit		$209,033 84	

EXHIBIT A.

RECEIPTS AND DISBURSEMENTS, JANUARY 20, 1899.

RECEIPTS—			
Total receipts by the Company and agents on 27,908 debentures issued		$843,642 00	
Deduct for agents' commission:			
On 7,912 debentures	$15,824 00		
On 19,996 debentures	39,992 00—	55,816 00—	$787,826 00
Amount received by fines			2,083 00
Amount received by interest			20,957 09
Amount received from Capital Investment			1,030 00
Amount received from sale of Consols			3,700 00
Amount received on Capital Stock:			
5 per cent. call, Oct. 1, 1894, on $50,000 00		2,500 00	
5 per cent. call, Nov. 1, 1894, on $50,000 00		2,500 00	
5 per cent. dividend, April 1, 1897, on $50,000 00		2,500 00	
85 per cent. call, April 1, 1897, on $50,000 00		42,500 00—	50,000 00
Total receipts by the Company			$865,596 09

DISBURSEMENTS—

Paid 1,759 debenture holders, surrender value	22,103 89	
Paid 9,332 debenture holders, redemption value	491,778 00	
Paid salaries, etc , from expense fund	64,383 79	
Paid royalty to Dr. Waiss	3,957 80	
Paid renewal interest	4,004 45	
Paid dividends, from expense fund	15,270 00	
Paid dividends, from capital investment	4,730 00	
Total disbursements		$606,227 93
Net receipts		$259,368 16
Credit of reserve fund	$199,268 94	
Credit of redemption fund	8,503 71	
Credit of expense fund	1,613 61	
Credit of advance payment fund	1,056 00	
Credit of open account	381 25—$210,823 51	
Credit of capital stock	50,000 00	
	$260,823 51	
Deficit		$ 1,455 35
		$260,823 51

The diserepancy between this amount	$259,368 16	
And the net assets of	259,386 16	
	$ 18 00	

Supreme Court of the United States.

No. 129.—October Term, 1900.

The New Orleans Debenture Redemption Company of Louisiana, Limited, et al., Plaintiffs in Error, *vs.* The State of Louisiana, Defendant in Error.	In error to the Supreme Court of the State of Louisiana.

[February 25, 1901.]

This is a writ of error to the Supreme Court of the State of Louisiana, brought for the purpose of reviewing a judgment of that court affirming a judgment of the Civil District Court for the parish of Orleans, decreeing the charter of the corporation plaintiff in error, under color of which it claimed corporate existence, to be null, void and of no effect. The suit was in the nature of a *quo warranto*. The attorney general of Louisiana, pursuant to statute, filed a petition in the trial court against the New Orleans Debenture Redemption Company of Louisiana, Limited, as sole defendant, and in that petition alleged that the defendant was not organized for any purpose for which the law authorized the formation of corporations in the State of Louisiana; that it was a debenture company formed for the sole purpose of selling or borrowing money upon its own obligations or debentures, to be paid for in monthly instalments, the company binding itself to pay the holders of debentures a profit of fifty per cent. upon the amount invested. A description of the manner in which the business was to be conducted was given in the petition, and it was alleged that the whole system amounted to a mere gambling venture, demoralizing as such, and was unlawful. It is also alleged that the company in its modes of organization had not complied with the requirements prescribed for corporations of any of the classes authorized by law, and that the act (No. 36 of the Laws of 1888) under which it claimed to have incorporated did not authorize the business which the company was doing. It was also alleged that the company and its officers, agents, managers, directors and stockholders were unlawfully exercising a corporate franchise, and were acting as a corporation in the State without having been legally incorporated, and in violation of law, and that the public interest and common justice required that the company be enjoined from declaring forfeited or lapsed the rights of any debenture holder who did not continue paying his monthly instalments during the pendency of the suit, and the prayer was that the affairs

of the company be liquidated according to law under the direction of the court for the common benefit of all creditors and other persons interested according to their respective rights. The attorney general further prayed that if it should be held that the organization of the company was authorized by law, that then the charter be forfeited on account of the subsequent violation of law by the company in not insisting upon cash in payment for its shares or stock. A preliminary injunction was asked and granted, enjoining the defendant from forfeiting or declaring lapsed the rights of any debenture holder during the pendency of the suit. This preliminary injunction was, upon an order to show cause, subsequently dissolved.

Process was served upon the president of the company in accordance with its charter. The defendant appeared and filed "peremptory exceptions to the petition, founded on law," which were overruled by the court. The defendant thereupon answered denying the material allegations in the complaint, and alleging that it was a duly and legally constituted private corporation, organized in conformity with the laws of the State, and expressly authorized by act No. 36 of the Laws of the year 1888, for the pursuit of the private enterprise and purposes set forth in its charter, and that stock had been issued to the extent of $50,000 and paid for to it, and that in doing business it had made many legal contracts which were outstanding, and that its debenture holders wished the company to keep on doing business, and it denied any gambling or wagering feature in connection with its contracts.

By supplemental answer it alleged that the purpose of the suit was to deprive the defendant, a duly and legally organized corporation under the laws of the State, of the legal right to engage in or pursue its business in any manner, and that the suit as instituted and prosecuted had for its object one which was in violation of the constitution of the State of Louisiana and of the Constitution and laws of the United States, in that it deprived the defendant of its property without due process of law, and denied to it the equal protection of the laws of the State of Louisiana and of the United States, and that it violated the laws of the United States in that the purpose of the suit was to deprive the defendant of its lawful right to pursue a lawful business, and was an unlawful discrimination against the defendant and a denial to it of the equal protection of the laws in the pursuit of its business.

The parties went to trial and evidence was given in support of the petition as to the character of the business, and also that the stock which had been issued by the defendant to shareholders had not in fact been paid for in cash as required by the statute. The charter was put in evidence, from which, together with testimony taken in the case, it appeared that in all probability the company would be unable to perform its contracts with

those who remain debenture holders until the maturity of their debentures, without the benefit which the company was to receive from lapses and forfeitures on the part of other debenture holders, resulting in a forfeiture to the company of all prior payments made by such holders. Ability to pay was even then claimed to be a matter of great doubt. It was stated by the trial court that with fair management and in the five years of its existence the company had more liabilities than assets. Much evidence was given on the trial of the case for the purpose of showing the general character of the business transacted by the company, and that it was, as alleged in the petition, of a gambling nature, and hence against the public policy of the State, and illegal.

There was no contradictory evidence on the trial regarding the facts as to the manner and plan of conducting the business of the defendant. Whether that business as thus conducted by it as a corporation and under its charter was or was not illegal, became a simple question of law. The trial judge held in favor of the State, deciding that the business done by the defendant was an unlawful business, not permitted to be pursued by any corporation, and that defendant was illegally doing business as a corporation, and decreed that the pretended charter under color of which the defendant claimed corporate existence was null and of no effect. A decree was thereupon entered adjudging that the president, secretary and general manager, as also the agents, directors, stockholders and members of the so-called corporation, were and had ever been without legal authority to act in a corporate capacity in the name of the defendant or under color of its pretended charter. It was also decreed that the injunction theretofore issued prohibiting and restraining the company, its officers, directors, agents and representatives, from removing the assets and funds of the company from the State or beyond the jurisdiction of the court, and from receiving any money or instalments from its debenture holders, and from paying out any money on surrenders or withdrawals, or in redemption of debentures, and from making loans on and from forfeiting any of said debentures, or the rights of any of the holders thereof, should be and was thereby confirmed and made absolute, and the company and its officers, representatives and members were perpetually enjoined and restrained from acting in a corporate capacity.

A motion for a new trial was made and the constitutional objections again advanced, but the motion was denied.

After the entry of the final decree and the denial of the motion for a new trial, one August M. Benedict, a resident of the parish of Orleans, presented his petition to the trial court, in which he alleged that he had been appointed by the governor of the State the liquidator of the defendant, after the governor had been officially informed of the judgment rendered by the court, and he asked to be recognized as such liquidator. The trial

court upon the presentation of the petition, with the annexed commission of the governor, made an order recognizing Benedict as liquidator upon his taking oath and furnishing bond in the sum of $10,000; the court further ordered that the officers of the defendant transfer and turn over to the liquidator all the assets, books and other property of whatever nature or kind belonging to the defendant corporation. The liquidator duly filed his bond, which was approved, and letters were granted him by the judge of the trial court. Thereupon the defendant corporation prayed for a suspensive and devolutive appeal to the Supreme Court, which was granted. Upon the same day a petition under the Louisiana practice was duly presented by the individual stockholders and the board of directors of the company to the court for leave to intervene in the suit, and in the petition they alleged the giving of judgment in the case against the company, which was the sole defendant therein, and that none of the individual incorporators or other persons interested were ever in any manner made parties to the suit, and that the sole issue in the suit was in regard to the legality of the business done by the company and the legality and validity of the charter adopted and executed by the corporators, and they represented that the right to be a corporation or the right to legal existence as such was not a franchise of the corporation itself, but belonged to the corporators solely and exclusively. The petitioners further represented that they and each of them felt aggrieved by the judgment and by the injunction which had been issued and by the order for the appointment of a liquidator, and the order for the transfer of the property to his possession, all of which they alleged had been highly prejudicial to their legal rights, and they therefore asked to intervene in the cause for the purpose of taking and prosecuting an appeal, devolutive and suspensive, from the final judgment, and from all orders, decrees or proceedings had in the cause, including the order and proceedings under the writ of injunction therein ordered or issued, and including all orders, decrees and proceedings made or had therein for the appointment of a receiver or liquidator for said company, to the end that on said appeal they might be enabled to be heard and to obtain a reversal of all such proceedings.

Service of the petition was made on the attorney general, who accepted the same, waived citation, and acquiesced in the order granting the petitioners leave as asked for. Thereupon the directors and stockholders duly appealed to the Supreme Court from the final judgment and also from the various orders in regard to the liquidator. All of these appeals were heard in the Supreme Court and the decree of the court below was affirmed, but the separate appeal taken by the shareholders from the order recognizing Benedict as liquidator under the governor's appointment was sustained, reserving to the State of Louisiana and all other parties in interest the question whether the appointment of a liquidator lies with the governor,

or of a receiver with the court, or with the parties in interest; such question to be thereafter determined by the court below as an open question. The company and the stockholders sued out writs of error to bring up the final decree of the State court for review.

Mr. Justice PECKHAM, after stating the foregoing facts, delivered the opinion of the Court.

This suit was brought against the defendant corporation alone, to obtain, among other things, a decree enjoining the company and its officers from acting as a corporation on the ground that its alleged charter was a nullity. It was also brought to forfeit the charter in case it should be held that it had been legally organized, and such forfeiture was prayed on the ground that the company had violated the law by not receiving cash on payment of its shares.

It is now claimed that the company defendant could not properly have been made a sole defendant in an action to declare null its charter to be a corporation, and that therefore a decree in such suit declaring the company not to be a corporation (while making no decree upon the question of a violation of the charter by not taking payment for its stock in cash) condemns the corporators and takes away their property without a hearing from them and is not due process of law, they claiming that the franchise to be a corporation was their property exclusively and did not belong to the corporation as such.

It is also asserted that the State was not rightfully or properly a plaintiff in the suit, and that the institution of the suit in the name of the State was without authority of law and was therefore null and void, and did not constitute due process of law. What is meant by this latter claim is stated by the plaintiff in error as follows:

"We do not wish to be understood as dissenting from the doctrine of the plenary power of the State over the subject matter of creating or authorizing such corporations, and we concede that her power to grant or withhold charters, as well as to grant or withhold authority to others, to constitute such corporations is unlimited. What we here insist is, that where the State has acted through her legislature and authorized the organization of the corporation, and such corporation has been constituted under her authority, that, in common with other persons, it cannot, after its creation, be denied the common right to pursue any lawful business or enterprise not inconsistent with the objects and purposes of its creation; and that is precisely what the State is attempting by this suit to do in relation to the company, plaintiff in error, in this cause."

The first inquiry which presents itself is as to whether it was proper and legal to make the company alone a defendant, and as to the sufficiency of the means by which it was brought into court in an action where the relief

sought was to declare the pretended charter of the company a nullity from the beginning, and where an injunction was sought to prevent the further action of the defendant corporation.

The company claimed as a fact to be organized under the act No. 36 of the Laws of Louisiana of 1888. The first and third sections of the act read as follows:

"SEC. 1. That it shall be lawful for any number of persons, not less than three, upon complying with the provisions of the laws of this State governing corporations in general, to form themselves into and constitute a corporation for the purpose of carrying on any lawful business or enterprise, not otherwise specially provided for, and not inconsistent with the constitution and laws of this State, . . . provided, no such corporation shall engage in stock jobbing of any kind."

"SEC. 3. That no stockholder of such corporation shall ever be held liable or responsible for the contracts or defaults of such corporations in any further sum than the unpaid balance due to the company on the shares owned by him."

In the answer of the company it is alleged that it was organized by the authority of this statute and that it duly filed its articles of association, stating therein at large the character of its business. It was provided in that charter that all legal process should be served upon the president of the company. The evidence showed that the company in fact did business under its charter and amendments for several years as a corporation, and claimed to be legally organized as such. It also appeared from the evidence that its stock was subscribed for by various individuals, and was issued to such subscribers or their assigns. It also issued its debentures and did business in accordance with the charter, and, as claimed, under and by the authority of the act of the legislature above mentioned. It made contracts and it elected officers who thereafter acted as such and assumed to represent the company as a corporation doing business under the laws of the State. It was thus a *de facto* corporation, and those who contracted with it as such could not set up as a defense, when sued by it upon those contracts, that it was not a corporation or that its organization was a nullity. None but the State could call its existence in question. (*Chubb* v. *Upton*, 95 U. S. 665; *Baltimore & Potomac Railroad Company* v. *Fifth Baptist Church*, 137 Id. 568, 571.) The Supreme Court of Louisiana, in this case, holds that by the laws of that State the defendant as a *de facto* corporation was properly brought into court by the service of process on its acting president. The State can therefore treat this *de facto* corporation as such, for the purpose of calling it into court and asking for a decree enjoining it from acting as a corporation, on the ground of the nullity of the organization; in other words, on the ground that it has no right to be a corporation, and that it is not a corporation *de jure*. For

that purpose it is not necessary that the individuals who were corporators or officers of the company be made defendants and service of process be made upon them. The company itself may be brought into court by service upon its officer appointed pursuant to the charter under which it assumed to act, and in which it is provided that the president shall be served with process against the corporation.

Section 2593, Revised Statutes of Louisiana, provides:

"An action by petition may be brought before the proper district court or parish court by the district attorney, or district attorney *pro tempore*, and for the parish of Orleans by the attorney general, or any other person interested, in the name of the State upon his own information, or upon the information of any private party, against the party or parties offending in the following cases:

"First, when any person shall usurp, intrude into or unlawfully hold or exercise any public office or franchise within this State; or . . . Third, when any association or number of persons shall act within this State as a corporation without being duly incorporated.

"SEC. 2595. Service shall be made in such cases . . . the same as in other civil suits. . . .

"SEC. 2602. When defendant, whether a person or corporation against whom such action shall have been brought, shall be adjudged guilty of usurping or intruding into or unlawfully holding or exercising any office, franchise or privilege, judgment shall be rendered that such defendant be excluded from such office, franchise or privilege, and also that the plaintiff recover costs against such defendant and such damages as are proven to have been sustained."

The State court has held that under these provisions, in such a case as this, the service of process upon the defendant company is sufficient to bring that company into court as a *de facto* corporation, even though not legally organized. If the company actually appear pursuant to such service, it surely must be enough so far as the corporation is concerned.

Pursuant to the service of process upon its president the company appeared in court, put in pleadings, set up as a defense that it was a legal and valid corporation under the act already cited, and claimed judgment in its favor. All this gave jurisdiction to the court to proceed with the case and try the issues, whether the defendant were or were not a valid corporation. But it is said that in such suit even that question cannot be decided, and that the presence of the individual corporators is indispensable because, as is stated, the franchise, to be a corporation, belongs to them and not to the corporation itself, and the case of *Memphis & Little Rock Railroad Company* v. *Railroad Commissioners*, (112 U. S. 609, 619,) is cited as authority for the purpose of showing that such franchise cannot be taken away without making the corporators parties.

In a certain sense the franchise to be a corporation does belong to the corporators in so far as that it does not pass by a mortgage by the company

of its charter and franchises, and a sale under the foreclosure of the mortgage does not confer on the purchaser the right to be a corporation. This was held in above case. The right to be a corporation was conferred upon certain individuals, and the court held could not by the language used pass to purchasers on a foreclosure, the franchise not in fact having been mortgaged, and the law not providing for such a mortgage. But a proceeding by the State against a *de facto* corporation to forbid its acting any longer as such on the ground that no legal right exists for it to be a corporation, we have no doubt is well brought against the company alone, treating it as such *de facto* corporation, and serving process upon its officers in accordance with the charter or law under which it assumes to be acting as such corporation. And as we remark, in another connection below, the shareholders or corporators by their action in making themselves parties to the suit, appealing from the decree and arguing their objections before the Supreme Court, have cured any possible defect which might otherwise have existed, founded upon an alleged defect of parties.

The injunction which was issued as part of the judgment was simply a means of carrying out what the court decreed, and whether an injunction prior thereto and preliminary in its nature had been granted *ex parte* or not was immaterial. The final injunction was part of the relief sought by the action, and when the court decided such action in favor of the plaintiff the injunction was to follow as matter of course. We are of opinion that for the purpose of obtaining a decree declaring the charter void and restraining the officers from acting as a corporation, the State through its attorney general was a proper party to bring the action, and for the reasons stated it was well brought against the corporation alone and the final injunction was properly issued.

Nor do the facts in this case furnish any foundation for the claim on the part of the plaintiffs in error that the State after having granted the right to be a corporation could not, after the corporation was created, deny to it the common right to pursue any lawful business or enterprise not inconsistent with the object and purposes of its creation. The claim rests upon the proposition that the State cannot deny to the company the common right to pursue any *lawful* business or enterprise. If the business or enterprise be not lawful, the whole argument fails. If not created for a lawful purpose the company was not created at all. It is not a question of the right to do certain business after it was authorized by the State to organize as such corporation. Its legal creation depended upon the lawful character of the work it was organized to do. Whether the business be lawful is, in a case like this, a question of local law, and a decision by the State court upon that question is not reviewable here. The right to be a corporation was given by the State upon the terms that the business trans-

acted should be lawful, and it certainly must rest with the State to determine whether the business thus transacted by a corporation is or is not lawful. Whether such business could be done by individuals without the intervention of a corporation is not to the point. The State having the right to say upon what terms and upon what conditions it will grant the right of incorporation, it must have the right to determine through its courts whether those conditions have been complied with. It granted the right by the act of 1888 to transact any lawful business, as a corporation, upon filing articles, &c. It rests with its own courts to say whether the business transacted by such assumed corporation, by virtue of that act, is or is not lawful. Having decided that it was unlawful, the court had the right, under the State law, to declare the charter null.

Then as to the rights of the individual corporators. Has their property been in any way taken without due process of law by this decree? Clearly it has not. Nor have they been denied the equal protection of the laws. As already stated, the decree adjudges the charter, under color of which the defendant company claimed corporate existence, to be null and void, and it enjoins the officers and stockholders from acting as a corporation, in the terms already set forth. This simply holds the property until it can be properly disposed of according to law.

The original decree was entered after a trial upon the merits, and the record shows that the officers and many of the stockholders were present at the trial, and were witnesses and examined by the counsel for the company, and that in truth they made the whole defense. There was no dispute in regard to the facts, and the whole question was resolved into one of law, whether the business which was confessedly conducted by the corporation was or was not a lawful one under the laws of Louisiana. The court refused to hear evidence that the defendant's officers acted in good faith, believing they were acting lawfully. That also was a question of local law, whether such facts constituted any defense, and the decision of the court on that subject is not reviewable here. As a result of all the evidence, the trial court held the business transacted by the company was unlawful for a corporation under the laws of Louisiana, and decreed accordingly. The shareholders then, pursuant to the law of Louisiana, petitioned the court to permit them to intervene in the case and to appeal from the decree, because they were interested therein; and leave being given, they appealed to and were heard in the Supreme Court, and that court, while affirming the final decree, at the same time reversed the order appointing a liquidator, and left the whole question open in regard to such appointment. The corporators have not in any manner been impeded or embarrassed in the presentation of their defense by not being formal parties to the record at the trial in the court of first instance. Many were present, as a matter of

fact, and the defense which they interpose is one of law upon undisputed facts. There has been no taking of any property belonging to shareholders, and whatever may be done hereafter, whether by liquidator or receiver, can only be done upon notice to them, as parties to the action and after full hearing of their claims.

It is certain, therefore, that their rights have not been improperly interfered with or their property taken under or pursuant to the decree of the trial court. We are of opinion that the judgment of the Supreme Court of Louisiana must be

Affirmed.

True copy.

Test:

Clerk Supreme Court, U. S.